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ABSTRACT

A 1994 state-wide survey examined the status of child care profession in Wisconsin. Surveyed were 326 family child care providers, 104 child care center directors, and 254 center teaching staff. Responses indicated that child care teaching staff have experienced a wage increase of just over 1 percent per year since 1988, and continue to earn low wages compared to other members of the work force, despite their relatively high level of education. Most centers offer limited health insurance or none at all and have high staff turnover, according to the survey. The survey also found that although family child care providers have experienced a 23 percent increase in earnings since 1988, they still earn low wages compared to other members of the work force. Finally, the survey found that most center directors do not receive fully-paid health insurance, and that their salaries are lower than administrators in other human services occupations. Most directors ranked improving teaching staff compensation as their top priority. Based on the survey, recommendations to improve the quality and availability of child care in Wisconsin include block grants, tax credits, and parental leave. (MDM)

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Valuable Work, Minimal Wages

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A Report on the Wisconsin Child Care Work Force

PREPARED BY

The National Center for the Early Childhood Work Force

AND

The Wisconsin Early Childhood Association

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VALUABLE WORK MINIMAL REWARDS

A Report on the Wisconsin Child Care Work Force

by

Alice Burton, Marcy Whitebook

&

Laura Sakai

NATIONAL CENTER FOR THE EARLY CHILDHOOD WORK FORCE

with

Mary Babula and Peggy Haack

WISCONSIN EARLY CHILDHOOD ASSOCIATION

Includes a report prepared for the Office of Child Care,
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A chapter titled ***Implications for Change: Assessing the Findings of the Report on the Wisconsin Child Care Work Force*** *was developed specifically for this publication and does not necessarily represent the views of the Office of Child Care or any other State of Wisconsin agency.*

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Valuable Work, Minimal Rewards

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Executive Summary

Wisconsin's Child Care Work Force 1994 is the third in a series of three studies in fourteen years that have examined the status of the child care occupation in the State of Wisconsin. The study was designed to inform policies relating to the stability and skill level of the child care work force and thereby the quality of services for Wisconsin's families. Three hundred twenty six family child care providers, 104 center directors, and 254 teaching staff were surveyed separately in the Winter of 1994 to determine their demographic characteristics, wages and earnings, and attitudes about their occupation. These findings are compared with the results of previous studies to explore the recent trends in the Wisconsin child care work force over the last decade and a half.

Highlights of the Major Findings

Child Care Center Teaching Staff

Child care center teaching staff have experienced a wage increase of just over 1% per year since 1988. Child care center teaching staff continue to earn low wages compared to members of the Wisconsin civilian work force.

- Child care teachers earned an hourly wage of $6.50 in 1994 which translates into an annual income of $11,375[1]. Real wages for child care teachers have improved slightly since 1988. Teachers gained 6% in real income or about one-hundred dollars per year over six years. Assistants who earned $9,590 in 1994 experienced a real increase of about ninety dollars each year (6%) between 1988 and 1994.

- This improvement in child care teaching staff wages has taken place against the backdrop of a loss of real income (8%) between 1980 and 1988. Child care teaching staff's real income has actually declined when viewed over the last fourteen years (between 1980 and 1994).

- Child care staff earned incomes 50% lower than Wisconsin individual median income ($23,610) in 1994.

[1] Based on a 35 hour week/50 weeks per year, the average work week reported for Wisconsin child care centers.

Child care teaching staff in Wisconsin are highly educated when compared to the Wisconsin general population as well as to child care teachers throughout the United States, but are not rewarded for their educational attainment.

- Child care teachers' educational attainment has improved substantially since 1988. Forty-four percent of teachers have a bachelor's Degree or higher, up from 32% in 1988. Only a quarter of the Wisconsin general population has achieved a bachelor's Degree. Two-thirds (67%) of assistants have an associate's Degree, twice as many as child care assistants in other states.
- Teachers with a bachelor's Degree or higher earned less than a dollar more per hour, on average, than teachers with less education.

The overwhelming majority of centers offered their teaching staff no or limited health insurance.

- Only 10% of centers offered *all* of their teaching staff fully-paid health insurance. Over half of all centers offered no health insurance to any teaching staff.

Teaching staff with children in Wisconsin are typically members of low to moderate income families.

- Half of all teaching staff have children (two on average). The pressure to provide income and benefits for their families is often in conflict with teachers' and assistants' choice of child care work. Among staff with children, over one-third (36%) have household incomes below $20,000.

Turnover of teaching staff continues to be high.

- The number of child care center teaching staff who leave their centers each year has declined somewhat since 1988, however it remains high. Forty percent of assistants and 25% of teachers left their centers in 1994.
- Child care teachers and assistants report dissatisfaction with compensation in a field that lacks a career ladder and rewards for senior teaching staff.

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Child Care Center Directors

Child care center directors, who have high levels of education and long tenure, earn low wages compared with administrators in other human service occupations.

- Three-quarters of directors have a bachelor's Degree or higher, yet earn a starting annual salary of $20,010. The highest paid directors earned $24,898 on average. By comparison, a Wisconsin nurse supervisor, for example, earned $36,213 annually. (Data on director's salaries is not available from 1988 and 1980.)
- One-third of directors in Wisconsin have been at their jobs for ten years or longer.

Although more commonly offered to directors than to teaching staff, fully-paid health insurance is offered to only a fraction of directors.

- Twenty-two percent of directors received no health insurance from their center. Almost half (47%) receive partially-paid plans. A third (31%) receive fully-paid health insurance.

Directors rank improving teaching staff compensation as their top priority.

- When asked how they would spend any additional funds in their child care programs, 86% of directors reported that they would increase teacher salaries. Benefits were ranked second as an center objective: 49% said that they would improve staff benefits.

Family Child Care Providers

Wisconsin licensed family child care providers have experienced a 23% increase in earnings since 1988. However, they still earn low wages.

- Licensed providers, who must meet pre-service and ongoing training and other requirements, reported netting just $8,344 annually, a 23% improvement over 1988 earnings. Certified providers who are subject to fewer training and other requirements earned $5,132 after expenses. (Longitudinal data for certified providers is not available.)
- Providers operate full-time, year-round family child care businesses. Providers worked an average of 60 hours per week, 50 weeks per year.

Wisconsin family child care providers are among the better educated providers in the United States.

- Half of all Wisconsin providers have post-secondary education, compared with 38% of providers nationally.

Providers are likely to have health insurance coverage, however they are typically covered as a dependent on a spouse's health care plan.

- Sixty-nine percent of the providers surveyed receive some health insurance coverage through a spouses' plan.
- About the same percentage of providers (13%) lack health insurance coverage from any source as do Americans (15%) in the general population.

Providers reported commitment to providing high quality services to children, however feel the strain of doing so for such limited rewards.

- In 1994, 67% of those surveyed report that they would be more likely to *stay* in the field if they had higher earnings and better access to benefits.
- Almost half of the providers surveyed indicated that they didn't know how much longer they would continue to operate their family child care businesses.

The report depicts Wisconsin's child care work force as educated, committed to children and high quality services. Child care teaching staff and providers, however, earn low wages when compared to the general population and to professions with similar qualifications and responsibilities.

Introduction

The demand for child care services has risen steadily over the last twenty-five years, and analysts predict that this trend will continue well into the 21st century. Child care has become a necessity in helping parents enter and stay in the work force; in combating welfare dependency and poverty; and in promoting young children's readiness for school. Policy makers, opinion leaders and educators agree that high-quality, accessible and affordable child care not only offers a critical service for children and families, but can meet a range of broader educational and economic objectives as well.[1]

Wisconsin's child care system has grown dramatically since 1980,[2] and is likely to continue to grow over the next ten years. The number of licensed family child care providers, for example, has increased ten-fold from 278 in 1981 to 2,345 in 1994,[3] and unregulated family child care and relative care have probably grown as much as, if not more than, licensed care.[4] The Wisconsin Department of Industry, Labor and Human Relations estimates that child care workers will be the third fastest growing occupational category in the state between 1995 and 2005.[5]

It is currently estimated that only 25% of children ages 0-12 receive care from regulated facilities in Wisconsin.[6] Although younger children are more likely to receive care in regulated family child care homes and centers, unregulated care is prevalent in Wisconsin, as it is in other states. And like many industries composed primarily of small business operators, the child care field is unstable. In 1993, about half as many licensed centers and family child care homes closed (453) as opened (804). Like all states, Wisconsin faces the challenge of building a stable network of quality child care programs to meet the growing demand.

National research has also shown that "more" does not necessarily mean better. A recently published national examination of family child care and relative care rated as "good" only 9% of

1 Among recent policy reports which highlight the importance of high-quality child care services, and which recognize caregiver compensation as a key component of quality, are the following:

Ready to Learn: A Mandate for the Nation, E.L. Boyer. New York: Carnegie Foundation for the Advancement of Learning, 1991.

Heart Start: The Emotional Foundations of School Readiness. Washington, DC: National Center for Clinical Infant Programs, 1992.

Beyond Rhetoric: A New American Agenda for Children and Families. Washington, DC: National Commission on Children, 1991.

Taking Care: State Developments in Child Care. Washington, DC: National Governors Association, 1990.

2 For comparison, see *A Study of Day Care Workers in Wisconsin*. Madison: Wisconsin Early Childhood Association, 1980.

3 Source: State Licensing Records.

4 Source: anecdotal report from Wisconsin Department of Health and Human Services, Division of Community Services. Exact figures are not available on unregulated child care because it is a largely informal segment of the industry.

5 *Wisconsin Projections: 1990-2005*. Madison: Wisconsin Department of Industry, Labor and Human Relations, April 1993.

6 *Economics of Child Care in Wisconsin: Staff Brief 94-3*. Madison: Wisconsin Legislative Council Staff, September 8, 1994.

the homes it studied; another 56% were rated as "adequate/custodial," and a disturbing 35% were rated as "inadequate/growth-harming".[7] Observational studies of center-based child care have raised similar concerns. The 1989 National Child Care Staffing Study (NCCSS) found that one-third of child care center classrooms scored at or below a "minimally adequate" level of quality. Only about 12% of all centers provided good quality care.[8] Most recently, a national research report released in January 1995 has confirmed these findings about the prevalence of minimal child care quality.[9]

Table 1: Child Care Staff Compensation and Quality

Improved Compensation;
Resources for Education and Training

▼

Lower Turnover; Well-Trained and
Consistent Staff

▼

Better Developmental Outcomes
for Children in Language, Social Skills
and Emotional Stability

Researchers who have conducted in-depth observational studies of child care agree that the key components of high-quality programs are the presence of well-trained staff, and low rates of staff turnover. The NCCSS found that in centers with high turnover and under-trained staff, children were building language and social skills more slowly than other children their age. The researchers reported that children spent less time engaged in social activities with their peers and more time in aimless wandering. Children require a continuous bond with well-trained teaching staff if they are to develop trust, confidence, and a desire to learn and socialize with their peers.

Low wages typically signify a poorly-trained entry-level work force which continually "cycles out of" child care programs, only to be replaced continually by comparably under-prepared workers. This report seeks to provide policy makers with a description of the changes in the child care work force in Wisconsin since 1988. The report explores the trends in child care center and family child care training and education, working conditions, and turnover rates. Salary and earnings information is provided and analyzed longitudinally.

The main body of the report is divided into chapters which describe distinct portions of the work force: family child care providers, directors and the programs they administer, and center-based teaching staff. We then explore the child care work force as a whole, in terms of what is shared among these job sectors, and how they compare with other workers in Wisconsin. A full description of the study design follows.

[7] *The Study of Children in Family Child Care and Relative Care: Highlights of Findings*. Ellen Galinsky et al., New York: Families and Work Institute, 1994.

[8] *Who Cares? Child Care Teachers and the Quality of Care in America: The National Child Care Staffing Study*, Marcy Whitebook, et al., Oakland, CA: Child Care Employee Project, 1989.

[9] *Cost, Quality, and Child Outcomes in Child Care Centers*. Suzanne Helburn et al., Denver: University of Colorado, 1995.

Study Design

In order to assess child care employment in Wisconsin, we developed survey instruments targeted to each component of the regulated child care work force: family child care providers, center directors, and center-based teaching staff. Our sampling procedures were tailored to these three groups.

The research process was guided by a concern that the information collected should capture the variability of child care services and, at the same time, be representative of child care teachers and providers in the state of Wisconsin as a whole. We therefore included providers from all regions of the state (see Table 2). Information about center-based teaching staff was collected through two separate surveys, one of directors and one of teachers themselves. Full- and part-day programs were included in the sample in proportion to their distribution in Wisconsin. Both licensed and certified family child care providers participating in the Child and Adult Care Food Program were surveyed to reflect contrasts in their earnings and working conditions.

Table 2: Map of Wisconsin Denoting Regions and Sample Representation of Child Care Programs by Region*

North: _____ 9 (9%)
South: _____ 29 (28%)
Southeast: _____ 13 (13%)
East: _____ 24 (23%)
West: _____ 17 (16%)
Milwaukee: _____ 12 (12%)

*Note: As throughout this report, percentages in this map are rounded.

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Family Child Care Survey

The survey of family child care providers was designed to elicit data on the demographic characteristics, earnings and working conditions of family child care providers in Wisconsin. The *Family Child Care Instrument*, developed jointly with Kathy Modigliani, Ph.D. of Wheelock College, is based on an instrument used by Modigliani in the first comprehensive national study of family child care earnings. This instrument is different from others in its attention to the variety of expenses which providers typically incur in operating a home-based business. The questionnaire prompts providers to provide estimates for a myriad of expenses that are often overlooked in calculations of their income.

The sample of licensed family child care providers was obtained through state licensing lists. To ensure representativeness, we selected a stratified random sample of licensed providers by region. Out of 2,240 licensed providers on the list in January 1994, we selected 448, or 20% of the total. Our response rate was just over 40%, which compares favorably to the 1988 sample which achieved a response rate of 48%. The final sample of licensed providers is 8% (N=185) of the total population of Wisconsin's licensed providers in 1994. The final sample of 185 is double the size of the number collected in the 1988 sample (N=96), an indication of the growth in the number of family child care providers in the state.

Because certified providers are not listed in state licensing records, we pursued an alternative sampling strategy. Certified providers were randomly selected from lists supplied by the major Child and Adult Care Food Program sponsoring agencies. The sponsoring agencies randomly selected certified providers from their Food Program lists. The population of certified providers on their combined lists was 1,333 in 1994, about one-third of the total number of certified providers in the state (N=4,597).[1] Twenty percent of certified providers (N=267) were selected to receive survey booklets, and a full 50% of those selected returned completed surveys. The final sample of certified providers was 141. Although the response rate of certified providers was good, it should be emphasized that the 141 participants make up only 3% of the total number of certified providers in Wisconsin. Because we were unable to sample from the total population of certified providers, it is likely that the sample is somewhat biased. The implication of this bias for the findings is discussed in the family child care section of this report. Certified providers were not included in the 1988 survey.

Table 3: Family Child Care Sample

	Total Wisconsin	Sampled	Final Sample
Licensed Providers	2,240	448	185
Certified Providers	1,333*	267	141
Total Providers	3,573	715	326

*Note: This was the total number of certified providers to whom we could gain access via Adult and Child Food Program sponsoring agencies. Certified providers numbered 4,597 in January 1994, the time of the sampling.

[1] *Economics of Child Care in Wisconsin, Staff Brief 94-3*. Madison: Wisconsin Legislative Council Staff, September 8, 1994.

The portion of the questionnaire which asks providers about their business and home expenses requires a detailed response and, predictably, only a portion of the providers who responded to the survey answered all of the expense questions. The findings reported here relating to gross income, expenses and net income represent this sub-sample of 129 (40% of the final sample) licensed and certified providers.

Director Survey

Child care center directors were surveyed to learn about their educational background, compensation, and professional concerns, as well as the staffing policies of the programs they administer. The instrument used for Wisconsin directors is based on a questionnaire used in The National Child Care Staffing Study (NCCSS), as well as in scores of local child care salary and benefits studies.

Using licensing records which listed 2,238 child care programs in Wisconsin in 1994, we selected a stratified random sample of 15% of the programs (N=335) to receive instruments. Out of the initial sample, 104 directors, or 31%, returned their surveys. Five percent of the programs in Wisconsin were part of the final sample. A comparable percentage of child care programs (6%) were included in the 1988 final sample.[2] The final sample represents the variation in region and program types, permitting us to confidently generalize from a small sample to the whole of Wisconsin programs.

The only important caveats to the samples representativeness are in the response of directors from the southeast region and the for-profit sector. Although they make up 27% of the total programs in Wisconsin, southeast center directors make up only 13% of the final sample. For-profit program directors are also under-represented in the final sample, whereas nonprofit program directors are somewhat over-represented. See Tables 4 and 5 for a comparison of the final sample with all child care programs in Wisconsin.

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[2] The final sample of the 1988 study included 86 programs, or 6% of all licensed child care programs (N=1,350) at that time

Child Care Center Sample
Table 4: Region

	Wisconsin Total %	Wisconsin Total N	Final Sample %	Final Sample N
East	18%	404	23%	24
Milwaukee	15%	343	12%	12
North	8%	185	9%	9
Southeast	27%	606	13%	13
South	20%	441	30%	29
West	12%	259	17%	17
Total	100%	2,238	100%	104

Table 5: Program Type

	Wisconsin Total		Final Sample	
Nonprofit	60%	1,360	73%	76
For-profit	32%	720	27%	28
Undetermined	7%	157	0	
Total	99%	2,237	100%	104

The terms "program types" or "auspices," as used in this report, refer to the ownership, sponsorship and/or funding category of a given child care program. Child care center auspices in this report are defined as follows:

For-Profit: includes independently owned and operated programs, as well as local and national for-profit child care center chains.

Independent Nonprofit: includes programs operated independently of larger community sponsoring agencies, as well as parent cooperative centers.

Government- or Corporate-Sponsored Nonprofit: includes programs receiving some subsidy (from 1% to 100%) from a hospital, university, college, public primary or secondary school, employer, or state or local governmental agency.

Community- or Church-Sponsored Nonprofit: includes programs sponsored by a non-governmental community organization or church or religious organization.

Head Start: includes all programs operating as Head Start centers through the use of federal Head Start funds.

Because the relevant categories of child care sponsorship and/or funding vary by state, the categories used in this report were selected for Wisconsin analyses only, and may not be appropriate to other states.

Table 6: Center Program Types

	Programs N=	Percent	Sites N=	Percent
For-profit	28	27%	46	26%
Independent Nonprofit	36	35%	48	28%
Government or Corporate Sponsored	7	7%	9	5%
Community or Church Sponsored	27	26%	41	24%
Head Start	6	6%	30	17%
Total Nonprofit	76	73%	128	74%
Total	104	100%	174	100%

Teaching Staff Survey

The teaching staff instrument, also modeled on one used in *The National Child Care Staffing Study*, was designed to elicit demographic information about center-based staff, as well as their attitudes about their opportunities in the child care teaching field. We also wanted to have an independent set of data on staff compensation and training to compare with information provided by directors. In the previous Wisconsin study and in other child care studies, directors have sometimes reported higher earnings than those reported by teaching staff.

Selecting a representative sample of child care center teaching staff poses some serious challenges. At this point, teachers are not individually licensed or registered by the state, and as a result, there is no comprehensive list of center-based teachers caring for young children as there is for family child care providers. For purposes of continuity, we pursued a sampling strategy used by researchers in 1988. To target teachers to participate in the survey, we randomly selected half of all the center directors who had received questionnaires to assist us in reaching their staff. After contacting directors by phone and securing their participation, we mailed the appropriate number of staff instruments to each center. In all, 44 directors participated, and we sent out 555 survey booklets for them to distribute to staff. Staff were given a self-addressed, stamped envelope to return the instruments. We received 254 booklets back, for a response rate of 46%.

The following section presents the findings from the family child care survey.

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Family Child Care Providers

Family child care providers are small business owners who care for one or more children in their home for a fee. Regulated providers in Wisconsin, whether licensed or certified, typically receive training in the areas of early childhood development and group child care. Providers can work as much as sixty hours per week, but unlike many small business owners who can eventually turn long hours of work into comfortable profits, even long-time family child care providers generally report low earnings and few benefits. When all of the expenses of running a home-based child care program are calculated, providers have few resources left to invest in ongoing training, substitutes when they are ill, or assistance from other professionals. Providers who maintain high-quality programs for children over a long period do so in spite of great odds.

The following survey results describe regulated family child care in Wisconsin. A total of 326 people, about 5% of the state's pool of regulated family child care providers (N=6,717), responded to the survey, all of them either licensed or certified. Licensed providers may care for more children and must meet more extensive training and other criteria than certified providers; there are also differences between licensing and certification in terms of standards for the physical environment.

Table 7: Wisconsin Training Requirements for Licensed and Certified Providers

Licensed Providers	Certified Providers
• 40 hours of early childhood education (ECE) required within six months of licensing.	• 15 hours of ECE required within six months of certification.
• 15 hours per year of ongoing in-service training.	• Local option to require five additional hours initially, and five hours per year of ongoing in-service training.
• Must be at least 18 years old.	• Must be at least 18 years old.
* *Licensing required for homes with four or more children under the age of seven.*	* *Certification required for homes which serve fewer than four children under age seven and which receive certain public funds.*

The certified providers described in this report are probably better paid and trained than the average family child care provider in Wisconsin. Because we lacked access to all of the lists of certified providers in the state (N=4,372), we drew on a partial list of providers (N=1,333) which over-represented better trained and paid providers. It is important to note, therefore, that our findings for certified providers may suggest higher levels of education, more years of experience and better earnings than are typical for the state.

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Our discussion begins with a profile of Wisconsin providers, highlighting significant economic contrasts between licensed and certified providers as well as other relevant differences. Providers were selected for the survey, and responded to it, in proportion to their numbers in all regions of the state. With the exception of educational differences, we did not test differences among providers across regions.

Typical Wisconsin Family Child Care Provider:

Provides caregiving and education through age appropriate activities and interactions. Responsible for purchasing equipment and supplies; bookkeeping duties; establishing policies and contracts, and marketing services. Plans and prepares meals for children.

Years in operation	Six
Work Week	58 hours
Education	Some college
Annual Net Income -- Licensed	$8,344
Annual Net Income -- Certified	$5,132
Health Coverage	Available only through privately-purchased plan

For purposes of longitudinal comparison with the 1988 study, this study also asks how licensed family child care providers' earnings, benefits and working conditions have changed since that year. (Certified providers were not included in the 1988 study.) In spite of the sharply increasing demand for child care services and the growth of family child care programs in Wisconsin since 1988, we found that providers have made only the most modest of gains.

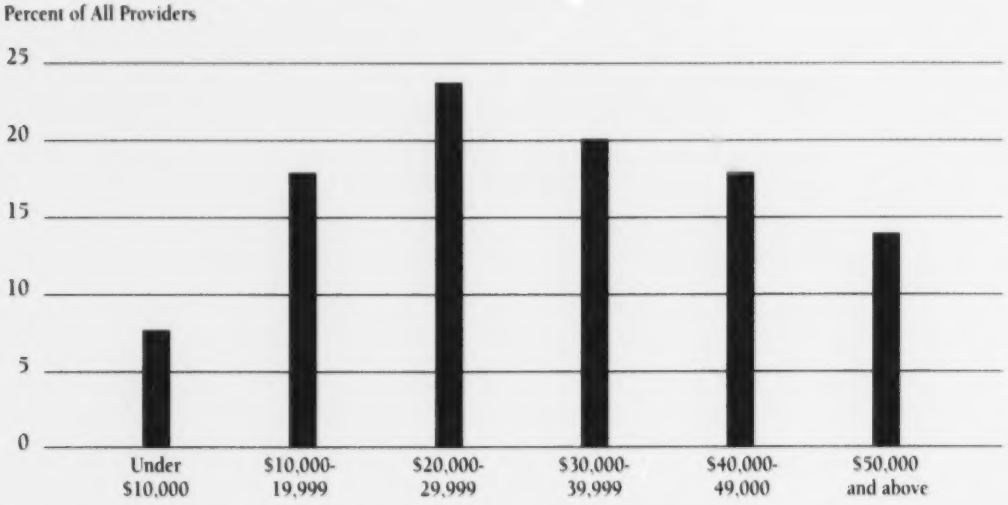
Provider Characteristics

Family child care providers in the survey were almost exclusively women in their childbearing years; fewer than one percent were male. Providers were most likely to be between 30 and 39 years of age and to have at least one of their own children present during their hours of child care business operation. Twelve percent of the providers surveyed were people of color, with African-Americans (5%) being the most prevalent. Following in number were Asian (4%), Mixed (2%) and Native American providers (1%). This ethnic and racial breakdown of child care providers is slightly more diverse than the Wisconsin population as a whole.[1]

Providers are likely to be married and living in moderate-income households. The majority of providers surveyed (87%) reported that they were married, and as many providers (85%) indicated that at least one other household member contributed income to the family. Almost half of all providers reported that their combined household income was between $20,000 and $39,000.

[1] Seven percent of the Wisconsin population were identified as members of an ethnic or racial minority group in the 1990 U.S. Census.

Table 8: Providers' Household Incomes



Education and Training

Wisconsin's family child care providers are among the better educated providers in the country. Providers were most likely to have a high school degree (31%) or some college (29%). As many as 15% of providers had achieved a bachelor's degree or higher. A national study of family child care providers found that 22% of providers had not finished high school, compared with only 6% of Wisconsin providers. Half of the state's providers have had some education beyond high school, e.g. in a vocational program, community college or university, whereas only 38% of the providers had post-secondary education nationally.

Wisconsin's providers have received specialized training in early childhood education (ECE) and continue to update their training. A majority of providers (82%) reported that they have had some formal and/or informal ECE training. Providers are most likely to have had between 40 and 80 hours of ECE training without a degree, and on average, providers received 26 hours of child care training during the past year.

Wisconsin providers run small businesses which yield very low profits. Unlike self-employed professionals such as physicians, who receive insurance payments from a third party or sources other than patients, family child care providers must cover business expenses, ongoing training, salaries and benefits primarily from fees paid by working families.

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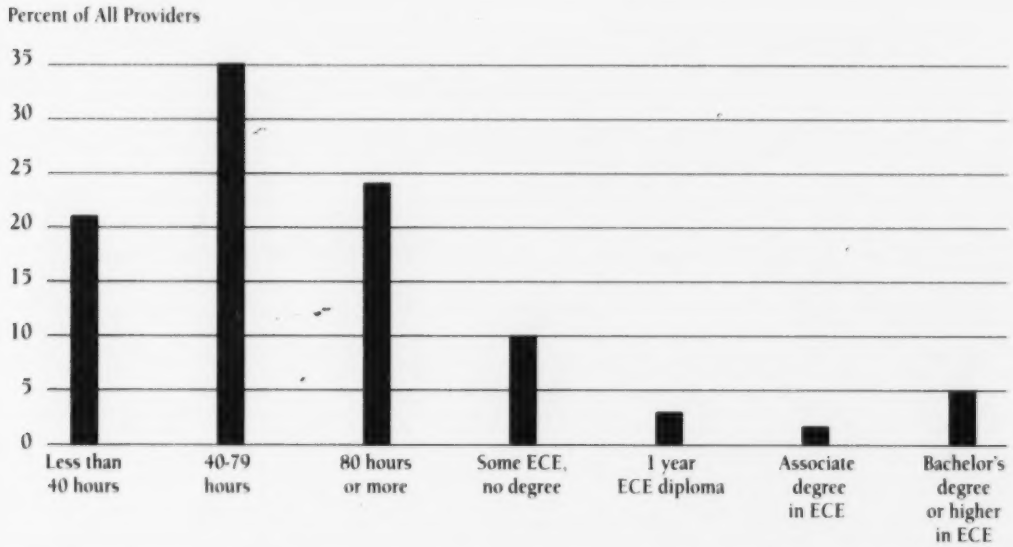
Table 9: Providers' Training in Early Childhood Education



When asked, a strong majority of providers (88%) agreed with the statement that "getting more training helps me become more professional." Although comparable national data is not available relating to providers' participation in early childhood education, it is likely that Wisconsin's providers generally have more specialized ECE training than others in the nation.[2]

Providers' Earnings and Expenses

Wisconsin providers run small businesses which yield very low profits. Unlike self-employed professionals such as physicians, who receive insurance payments from a third party or sources other than patients, family child care providers must cover business expenses, ongoing training, salaries and benefits primarily from fees paid by working families. After expenses, licensed providers earned $8,344 in 1994, or $4.20 per hour, and certified providers netted significantly less: $5,132, or $2.40 per hour[3]. To earn these minimal wages, providers reported that they worked an average of 47.5 hours per week with children, and another 10.5 hours devoted to preparing activities, food shopping and cleaning.

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[2] *The Study of Children in Family Child Care and Relative Care*, Galinsky, et al. (1994), the most recent national study of family child care, only offers information about ongoing ECE training such as attendance at conferences and training related to the Child and Adult Care Food Program. One-third of providers in this study had received some training during the past two years.

[3] We suspect that providers who answered all of the financial questions were likely to be better compensated, on average, than those who lacked adequate records. The net incomes reported here, therefore, may even be slightly higher than that of the average provider.

As shown in Table 10 below, licensed providers grossed about 60% more than did certified providers annually. Multiple regression analyses indicate that the greater number of children enrolled by licensed providers accounts for a significant percentage of the variance in providers' net incomes[4]. The number of hours children are in care does not significantly influence this variance, nor do fee schedules, which do not differ greatly between the two groups. Wisconsin providers reported charging, on average, between $2.03 and $2.42 per hour[5].

Table 10: Providers' Annual Gross Income, Expenses, and Net Income[6]*

	Gross Income	Direct Business	Business Use of Home Expense	Paid Assistant	Net Income
Licensed Providers	$18,899	$7,277	$2,830	$448**	$8,344
Certified Providers	$11,003	$4,146	$1,715	$11	$5,132

* Data above was reported by the sub-sample of providers who answered all of the questions about expenses and income (N=129).

** The annual expenditure for assistants and/or substitute caregivers appears small because it is the mean expenditure for all providers, including those who answered "0" to this question. The mean expenditure for assistants and/or substitutes for those providers who used them was $2,269 per year for licensed providers, and $256 for certified providers.

Almost half (47%) of the providers we surveyed answered that they did not know their net income, and as many did not have a reliable estimate of their business expenses. A national survey found that providers' reported estimates typically underestimate their actual expenses. Anticipating that providers might lack detailed records, we prompted providers to report their best estimate of specific expenses, and then calculated two broad categories of business expenses: direct and business use of the home. Direct expenses include such items as food, toys and insurance, and are 100% tax-deductible. Business uses of the home include real estate taxes, mortgage

[4] Analyses indicate that 28% of the variance in net income can be attributed to the number of children cared for. No other factor emerged as a significant predictor of differences in licensed and certified providers' net incomes.

[5] A comparison of the fees reported by this sample with the findings of a survey of several southern counties by Community Coordinated Child Care (4-C's) of Dane County suggests that the fees we report are slightly higher than average for this region (and probably others as well). The 4-C's survey, for example, found hourly rates of $1.75 and below for preschool-age children in Columbia, Dodge and Sauk Counties. At the high end, they report Dane County rates for preschool-age children at $2.45 per hour. The 4-C's survey received responses from nearly 100% of family child care providers in operation in 1994; the findings can therefore be considered representative. Providers in our sample probably receive higher hourly rates than the average Wisconsin provider.

[6] Currently, there are two prominent approaches to calculating child care providers' net income. One, demonstrated here considers the business use of home as an expense that should be subtracted from providers' net incomes. Although providers may gain some tax advantage from deducting business use of home, research indicates that providers neglect to report or substantially under-report these expenses, such as depreciation of their homes, utilities, etc. and thereby do not reap the potential tax advantage. The alternative approach to calculating net income would not subtract business use of home expenses from net income, which would elevate Wisconsin licensed providers' net income by almost $2,830 and certified providers' net by almost $1,715. For the purposes of comparing these data with other information, attention should be paid to the formula for net income.

interest and/or rent, a percentage of which are tax-deductible. We also asked providers about assistants' and/or substitutes' wages. Tables 11 and 12 offer a breakdown of providers' specific average expenses.

Table 11: Providers' Direct Business Expenses

Annual Direct Business Expenses	Licensed Providers	Certified Providers
Total Direct Expenses 100% Deductible	**$7,277**	**$4,146**
Food	$3,316	$2,081
Toys	$ 984	$ 467
Child Care Equipment	$ 740	$ 291
Household Supplies	$ 533	$ 455
Office	$ 201	$ 102
Marketing	$ 97	$ 40
Professional Services	$ 198	$ 102
Insurance	$ 399	$ 257
Other	$ 809	$ 351

Table 12: Mean Providers' Expenses for Business Use of the Home

Annual Business Use of Home Expense	Licensed Providers	Certified Providers
Total Business Use of Home (calculated by multiplying time-space formula by individual expenses for business use of home)	**$ 2,830**	**$1,715**
Mortgage Interest	$ 2,568	$1,850
Homeowners/Apartment Insurance	$ 256	$ 172
Repairs/Maintenance	$ 723	$ 459
Utilities	$ 1,860	$1,660
Real Estate Taxes	$ 1,867	$1,284
Depreciation	$ 634	$ 384
Other, e.g. rent, appliances, furniture	$ 785	$1,561
Subtotal	$8,693	$7,370
Average Time/Space Formula[7]	37%	28%

[7] The time space formula is defined as follows:

$$\frac{\text{\# hours home is used in business}}{\text{total \# hours in a year}} \times \frac{\text{\# of square feet of home used in business}}{\text{total \# square feet in home}}$$

Given providers' substantial expenses and low net incomes, it is not surprising that one-fourth of all Wisconsin providers claimed the Earned Income Tax Credit (EITC) on their 1993 taxes. Licensed providers were as likely to claim the tax credit as were certified providers. The EITC, created by recent federal legislation, reduces the tax liability of employed low-income parents in order to help families with children escape poverty. Over one-third of providers, however, indicated that they had not heard of the EITC, and it is therefore possible that more are eligible than are currently claiming the credit.

Given providers' substantial expenses and low net incomes, it is not surprising that one-fourth of all Wisconsin providers claimed the Earned Income Tax Credit (EITC) on their 1993 taxes.

Many providers also seek to boost their low earnings by holding second jobs. Fourteen percent of providers surveyed (N=44) held another job, for an average of 11.5 hours per week. Providers reported that their second-job incomes averaged $9.71 per hour, over three times what they typically earned by caring for young children. Contrary to our expectation, this segment of providers spends about the same number of hours providing services to children as those who do not hold a second job.

Business Policies

Working in their own homes, family child care providers are often isolated from other adults; moreover, in educating and caring for young children, they are performing a job which is not traditionally viewed as an occupation at all, but rather as a woman's natural role. Providers can therefore face an uphill battle in establishing workplace provisions that are standard elsewhere, such as contracts with parents, vacation time and sick pay. Providers may also lack the administrative and bookkeeping skills necessary to run a small business on their own.

An examination of working conditions reveals that family child care providers have just begun to make strides in establishing formal business practices and policies. Some formalities such as contracts are now common in family child care, but other provisions involving provider compensation are not. Table 13 describes providers' policies.

Table 13: Providers' Policies

	All Providers
Close for holidays, vacations, sick days, training or other days off (with or without payment)	86%
Secure a signed contract with parents that explains fees	73%
Charge extra when children are picked up late or dropped off early	55%
Receive payment when children are absent because of illness	39%
Receive payment when children are on vacation	19%

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Benefits

Providers in Wisconsin are most likely to receive health care benefits through their spouse's employer or retirement health plan (69%). About the same number of providers purchase their own private health insurance (14%) as those who lack any coverage (13%). Five percent reported that they receive coverage from other sources, such as medical assistance. On average, providers are only slightly less likely to have health insurance than other Americans. If unmarried, however, the vast majority of providers in Wisconsin would be priced out of the private health insurance market; their access to benefits, at present, is largely as a dependent on a spouse's health care plan.

Seventy percent of providers reported that they submit Social Security payments on their income[8], but only 20% contributed to a private retirement plan such as an IRA, SEP or Keogh fund. In most cases, providers lacked surplus income to make necessary investments for their retirement.

Tenure and Turnover

Research on center-based child care has demonstrated that the stability of teaching staff is a critical factor in fostering the emotional and cognitive development of children in their care[9]. It is logical to assume that stability and low turnover among family child care providers is equally important for children's well-being. On average, Wisconsin providers have been in operation for six years. But although this is a relatively high level of tenure and experience, we can only speculate on how long most providers will stay in the field. When asked, almost half of all providers indicated that they did not know.

Providers demonstrated more certainty, however, about the factors that would encourage them to remain in family child care. The changes they would like to see are primarily economic. Over two-thirds of the sample (67%) indicated that a higher income and better benefits would motivate them to continue offering services to young children; over half (56%) answered that more money for supplies and equipment would make a difference (see Table 14).

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[8] This finding raises considerable concern, since Social Security payments are required by law for all self-employed persons. It is likely that some of the respondents misunderstood the question, but there are serious policy implications in the finding that some providers are not paying Social Security and apparently do not know of the legal requirement to do so.

[9] *Who Cares? Child Care Teachers and the Quality of Care in America*, Whitebook, et al.

Table 14: What providers say would encourage them to remain in the field

Higher Income	**67%**
Better Benefits	**67%**
More Money For Supplies and Equipment	57%
More Respect	49%
Less Stress	46%
Respite Care	45%
Shorter Hours	37%
Better Career Ladder Opportunities	28%

Providers' Attitudes

When asked about opportunities to raise fees and thus to improve the financing of their programs, Wisconsin providers appeared to be of two minds. On the one hand, providers clearly identified themselves as small business owners: 88% consider themselves owner-operators of a business. Most providers (71%) agreed with the statement, "Because I am my own boss I can set my rates and policies to meet my needs." But this should not lead to an assumption that providers feel comfortable raising rates to improve their own compensation or replace their worn supplies. Two-thirds of the providers (63%) agreed that the parents they serve could pay more, and yet at the same time 62% agreed that they would "not feel right" about charging more, even of those parents who could pay higher fees for child care.

Over two-thirds of the sample (67%) indicated that a higher income and better benefits would motivate them to continue offering services to young children . . .

The 1988 survey of Wisconsin child care, like other research, established that providers and teachers are largely motivated to care for young children because of the intrinsic satisfaction that comes from nurturing a child's development.[10] Providers also commonly cite the advantage of being able to care for their own children at home. Our findings about what would keep them in the field suggest that those who come into family child care for reasons of intrinsic satisfaction and family choice may be more likely to commit to child care as a career if they could secure better compensation. But barriers apparently remain in providers' willingness to negotiate fee increases even when they perceive an ability for parents to pay more.

[10] Riley and Rodgers. *Pay, Benefits and Job Satisfaction of Wisconsin Child Care Providers and Early Childhood Teachers, 1988.*

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Differences between Licensed and Certified Family Child Care Providers

As noted above, licensed providers earn substantially more from their family child care businesses than do certified providers. Licensed providers are authorized to care for more children for more hours, and must meet more stringent criteria and regulations (see Table 7). Among the providers we surveyed, licensed providers were older, had been providing services longer, and had more training in early childhood education. It should be emphasized, however, that our sample of certified providers, although less likely to be professionally affiliated, did provide care for children more than 40 hours per week, on average, and anticipated remaining in the field almost as long as did licensed providers (between 5-6 years for the 50% of providers who were able to answer the question).

It appears from this data that our sample of certified providers is by no means a part-time or temporary part of the child care work force, but because of the contingencies of our sampling procedure, discussed above, it is likely that these providers are better trained and more likely have a long-term commitment to providing family child care than is typical for certified providers.

Table 15: Differences between Licensed and Certified Providers

	Licensed Providers	Certified Providers	Test of Significance
Number of children cared for at peak	7	5	+
Hours working with children	50	43	+
Unpaid hours working, not with children	11	11	-
Years in operation	7	4	+
Average cumulative early childhood education training	40-79 hours	fewer than 40 hours	+

Differences in Providers' Backgrounds

Certified providers were younger and newer to the family child care business than were licensed providers. African-American and Asian providers were more likely to be certified than licensed. Although certified providers were just as likely to be married, and had at least one other adult contributing to their household income, their household incomes were significantly lower than licensed providers'. Two-thirds of certified providers' household incomes were $29,000 or below, whereas two-thirds of licensed providers' incomes were $30,000 and above.

Licensed providers do not have higher levels of general formal education than certified providers, but they do tend to have more formal training in early childhood education. Licensed providers also reported that they received more training during the past year (33 hours) than did certified providers (18 hours).[11] A quarter of both licensed and certified providers answered that they

[11] The finding that this sample of certified providers had 18 hours of continuing training during the past year is a strong indication that they are not strictly representative of certified providers in Wisconsin.

don't feel that they have enough training opportunities, but they tended to assess the limitations of current opportunities differently. Licensed providers indicated that training too often occurs in the daytime and that they can't get away from their work. Certified providers overwhelmingly reported that the cost of training was too high.

The majority of all providers (88%) indicated that they have at least one other caregiver with whom they can talk if they have a problem in their work. Certified providers, however, appear to be more isolated from other providers than are their licensed counterparts, who are more likely to be members of professional organizations and/or local provider support groups. Certified providers appear to have limited access to such provider networks.

Certified providers appear to be more isolated from other providers than are their licensed counterparts, who are more likely to be members of professional organizations and/or local provider support groups.

The level of professional affiliation reported in Table 16 is sufficiently high to require comment. It is likely that providers who returned their surveys are more likely to be members of a professional organization than the average Wisconsin provider. It is also possible that some providers who have an association with the Wisconsin Early Childhood Association (WECA) only because of their participation in the Child and Adult Care Food Program misunderstood the question about professional affiliation, and reported a membership in WECA. We would caution the reader not to generalize from these findings on professional affiliation to a larger sample.

Table 16: Licensed and Certified Providers: Significant Differences in Professional Affiliation

	Licensed	Certified	Difference
WECA	44%	22%	+
Local Support Group	44%	22%	+
Wisconsin Family Child Care Association	31%	12%	+
National Association for the Education of Young Children (NAEYC)	16%	2%	+
National Association for Family Child Care (NAFCC)	8%	1%	+

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Licensed Providers Secure Better Policies and Working Conditions

Certified providers have not been as successful as licensed providers in establishing policies that ensure a stable level of compensation from parents. Licensed providers are more likely to receive full or partial payment when children are ill or on vacation; they also reported that they close their business for more days per year than do certified providers.

Wisconsin has established the Quality Improvement Grants Program, a statewide effort to assist licensed family child care providers and centers in making quality improvements. Quality Improvements may include gaining additional training or undergoing an accreditation process. Nine percent of the licensed providers surveyed received a Quality Improvement Grant, and 70% of the licensed providers who did not receive a grant reported that they had heard of the program. The Start-Up and Expansion Grant Program, a funding initiative to support the development of child care services, is available to both licensed and certified providers. Over one-quarter of licensed providers (27%) and 6% of certified providers reported receiving such a grant. Of those certified providers who had not received a grant, 25% reported that they had heard of the program.

Convergence of Licensed and Certified Providers' Beliefs

Licensed and certified providers expressed similar beliefs about problems and solutions in family child care financing. The two groups echoed each other's emphasis on the need for more economic rewards for their work. But while certified providers emphasized that more contact with other providers would help them remain in the field, licensed providers were more likely to stress their need for shorter hours and respite care.

Licensed providers are just as likely as certified providers to demonstrate ambivalence about raising fees--even for parents who, in their estimation, can clearly afford to pay more. Licensed and certified providers both noted their desire to professionalize and to gain autonomy in setting rates and policies, but many falter at the prospect of raising rates. This reluctance is one barrier to the improvement of compensation that appears to be shared by broad segments of the family child care profession. Raising fees, in itself, cannot assure quality child care services for Wisconsin families. Families who earn low to moderate incomes cannot single-handedly finance improvements in child care earnings, benefits and working conditions--but raising fees can be *one* solution, albeit limited, to the chronically very low incomes of family child care providers.

Six-Year Trends: Changes in Wisconsin Family Child Care Since 1988

The demand for family child care services in Wisconsin has grown tremendously during the past fifteen years as more women with young children have joined the work force. Even in the past six years, the number of licensed family child care businesses has quadrupled in response to the demand; in 1988, there were 651 licensed family child care providers in the state, whereas today there are 2,345.

The current study was designed in part to answer the question of whether there have been substantial changes in providers' earnings, education and working conditions over the past six years. Although there have been some limited improvements in specific areas, such as policies and working conditions, provider earnings have improved only modestly. We note again, however, that the comparisons between 1988 and 1994 involve only licensed providers, since certified providers were not included in the 1988 sample.

Although there have been some limited improvements in specific areas, such as policies and working conditions, provider earnings have improved only modestly.

In many respects, licensed providers and their family child care businesses appear to have changed very little: the hours they work, with or without children, the number of children they care for, and their level of professional affiliation have all remained constant. Their levels of formal education appear to have dropped slightly, but we suspect that this difference is primarily due to differences between the 1988 and 1994 samples. Dane County providers, who are better educated than average, made up one-quarter of all providers sampled in 1988, whereas they were slightly under-represented in the 1994 sample.

Providers have made gradual inroads during the past six years in securing better working conditions. Parent contracts, and policies for sick leave or other absences, for example, are now more likely to be part of the family child care work environment. In 1988, only 61% of providers reported that they had a signed contract, whereas in 1994 this number had risen to 75%. In the earlier survey, only half of providers reported receiving payment from parents when children were sick, but the 1994 figure is 65%.

Table 17: Trends in Family Child Care Fees

	Average Fees
1994 Licensed Providers	$2.01 - $2.42
1988 Licensed Providers	$1.50 - $1.62

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As shown in Table 17, providers' fees have gone up between 34% and 50% over six years, but increases in the cost of living during this period, resulting in higher expenses for most providers, would greatly diminish any net gain.

Licensed providers' net incomes have improved only slightly. While they gained an average of $3,025 in net income before inflation between 1988 and 1994, annual inflation rates have reduced the spending power of this gain to a 23% total real increase (see Table 18). This increase is equivalent to $1,554 in real dollars, or $259 per year.

Table 18: Six-Year Trends in Family Child Care Net Income

	1994 Net Income	1988 Net Income	Percent Change
Licensed Providers	$8,344	$6,790	23% increase

Note: Income and 1988-1994 trends are in 1994 dollars.

Conclusion

We might surmise that providers' above-average education, 60-hour weeks, and average of five years in the business would at least qualify them for moderately comfortable incomes. Instead, we have seen that family child care providers, despite some modest inroads made in the past six years, remain among the lowest paid workers in Wisconsin. Even the majority of licensed providers who are the most professionally identified and prepared do not earn enough to purchase basic health benefits or contribute to a retirement fund. The level of dissatisfaction providers expressed about their compensation, and about the meager funds they have available to invest in their businesses, suggests that the intrinsic satisfactions which have long sustained providers may not continue to be enough to keep them in the field.

Providers clearly need to improve the financial base of their businesses in order to improve their own incomes and benefits, and to enrich the learning environment for children by accessing more training and purchasing new equipment and materials. The reluctance providers feel about raising fees, along with the relative inability of low- and moderate-income parents to pay more, are both barriers to strengthening and sustaining family child care in Wisconsin.

Directors

Directors play a pivotal role in determining the quality of experience that children, parents and staff will have at a child care center. Their responsibilities typically encompass financial management, fundraising, staff development and supervision, parent and community relations, and the myriad of details and aggravations that face all administrators of small businesses, particularly those which have limited resources. In the recently released study of *Cost, Quality and Child Outcomes in Child Care Centers*,[1] directors of better-quality centers were found to have been in their present jobs longer, and to be more involved in planning the children's program, than their counterparts in lower-quality centers. But the many conflicting pressures of the job prove challenging even to the most experienced, engaged and committed of directors in Wisconsin and across the country.

This section examines the demographic characteristics of Wisconsin child care center directors, along with their education and training, earnings, working conditions, professional affiliations, job tenure and turnover, and attitudes about their work and about efforts to upgrade the field. Only scant information on directors was gathered in the 1980 and 1988 surveys, but where available it is compared with current findings. Comparisons from national studies are also included when applicable.

Typical Wisconsin Administrative Director:

Directs all aspects of child care center, including personnnel planning and supervision, curriculum oversight, purchasing supplies and equipment, meeting state licensing and other regulations. Represents and markets program to parents.

Education	BA or higher
Salary – Starting	$9.62 per hour or $20,010 annually
Salary – Highest	$11.97 per hour or $24,898 annually
Health Coverage	Partial

The findings that follow are based on responses provided by 72 directors, representing 104 programs operating at 174 sites throughout the state. Approximately three-quarters of the respondents (72%) direct nonprofit programs. This is comparable to the 1988 survey which represented 85 directors, 69% of whom worked in nonprofit programs. The 1980 study did not indicate the types of programs in which directors worked.

[1] *Cost, Quality, and Child Outcomes in Child Care Centers*, Helburn et al.

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Characteristics

The vast majority of directors surveyed in Wisconsin are white (98%) and female (92%). Only two directors in our sample are people of color. More than half (56%) are between thirty and fifty years old and nearly one-third (31%) are over fifty.

Directors in Wisconsin constitute an increasingly experienced and relatively stable work force, both of which factors have been identified as critical to the quality of care that a center provides.

Education and Training

Child care center directors in Wisconsin tend to be highly educated. Seventy-two percent of the survey respondents have earned a bachelor's or higher degree. Programs whose directors have achieved higher levels of education also employ better-educated teaching staff. In 1980 a similar proportion of directors (73%) held college degrees, while in 1988 the percentage had dropped somewhat (to 52%).

Wisconsin directors are interested in continuing education but not always able to arrange it. While half (52%) reported that they would like more training opportunities, various barriers stood in their way. When asked why they haven't received as much training as they would like, they most often cited the following barriers:

- It is difficult to take time off from work for daytime training sessions: 61%.
- There are not enough courses or training events which address my needs as an administrative director, such as budgeting, staff recruitment and staff retention: 48%.
- There is no pay-off in improved wages at work when I receive more training: 46%.
- The cost of training is too high: 43%.
- There are not enough courses, workshops or in-service training events in my community: 41%.
- I am unable to leave my family: 19%.

Tenure and Turnover

Directors in Wisconsin constitute an increasingly experienced and relatively stable work force, both of which factors have been identified as critical to the quality of care that a center provides. Turnover among directors occurred at a rate of 12 percent between 1993 and 1994, slightly higher than the average turnover rate of 9.6% reported by all U.S. companies, but dramatically lower than rates for teaching staff. While equivalent turnover data is not available from the 1988 findings, we do know that in 1988, 15% of directors had been at their present job for one year or less, suggesting a similar turnover rate. In 1994, only 10% of directors had been at their current jobs for less than one year. Overall, directors in Wisconsin also appear to be remaining at their centers longer; in 1988, 14% had been at their jobs for ten years or more, but in 1994 this figure

had risen to 34%. It is also likely that most had been in the child care field for a considerably longer period of time.

Professional Affiliations

In both the 1988 and the 1994 surveys, directors have indicated that they are active members of the early childhood professional community. In 1988, over half (56%) were members in the Wisconsin Early Childhood Association (WECA), and 28% were involved in a local directors' group. Respondents in 1994 were also very engaged in professional activities. Of the approximately three-quarters of directors who answered the question, "Are you involved in efforts to upgrade the child care profession?," 65% answered yes. Many are involved in one or more professional organizations; the most commonly mentioned were WECA, NAEYC affiliates, the Worthy Wage Campaign and local directors' groups. Many specifically mentioned trying to upgrade the field through improving wages, benefits and training opportunities for staff in their centers. One director noted, "We have raised our teachers' wages by 18% in the past two years, and plan another 8% raise this year." Another observed, "Our program attempts to pay the teachers a salary higher than other centers, to empower them for decision-making for the program, and to continually train them to provide a high-quality, appropriate program."

Several directors also mentioned their involvement with the statewide Quality Improvement Grants program, and/or efforts to encourage their staff to participate in the registry for Wisconsin teachers and providers. A number of directors considered their own professional development, through advanced course work or teaching, to be part of their effort to upgrade the field; many also mentioned their efforts to improve their own facility or the quality of their program as such a contribution. Finally, many directors were involved in efforts to educate parents and others in the community about the importance of high- quality early care and education. Several mentioned participating in high school "child development" days by providing information to students about the importance of child care and about career opportunities in the field.

Salaries

Despite their high levels of education and years of service in the early childhood field, directors in Wisconsin child care centers typically receive low wages. Only three-fifths of the directors responding to the survey reported their wages; of these, the average annual starting salary, based on a 40-hour week and a 52-week year, was only $20,010. The average annual highest salary paid to Wisconsin directors, many of whom have over ten years of experience at their jobs, was $24,898. (No director salary data was reported in the 1980 or 1988 studies.) While these earnings are considerably higher than those received by teaching staff, they nevertheless fall well below the earnings of comparably educated administrators in schools and other workplaces. (Such parallels are discussed further in Chapter 6.) As shown in the table below, different types of child care programs also pay significantly different wages to directors.

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Table 19: Starting and Highest Hourly Wages for Directors: Averages and Ranges

Type	Av. Starting	Starting Range	Av. High	High Range
For-Profit	$8.01	$5.75-11.00	$10.03	$6.00-15.00
Independent Nonprofit	8.46	4.50-11.00	11.73	5.50-28.56
Government- or Corporate- Sponsored	14.69	8.87-20.15	17.47	11.00-28.58
Community- or Church- Sponsored	10.01	7-12.75	11.39	8.50-15.00
Head Start	12.31	9.61-15.00	17.01	12.02-22.00
Total Nonprofit	10.06	4.50-20.15	12.50	5.50-28.58
Full Day	9.51	4.50-20.15	11.85	5.50-28.58
Part Day	10.74	10.45-11.00	12.95	10.45-15.00
Total	9.62	4.50-20.15	11.97	5.50-28.58

There were no significant differences between regions, although there was a trend toward higher starting salaries in the south and west, and lower starting salaries in the north.

Table 20: Salaries for Directors, by Region

Type	Av. Starting	Starting Range	Av. High	High Range
North	$7.76	$6.00-9.65	$9.78	$7.50-15.00
South	10.62	5.50-20.15	13.25	5.50-28.58
Southeast	9.17	6.00-11.00	10.76	6.00-14.00
East	8.62	4.50-15.00	11.36	7.20-22.00
West	11.35	5.75-15.00	12.11	7.50-15.30
Milwaukee	9.96	8.89-12.00	14.16	8.50-28.56

Another way to capture the extent of low pay among directors in Wisconsin is to examine the distribution of salaries. Sixty-two percent of directors receiving the starting salary, and 38% of directors earning the highest salary, receive $10.00 per hour or less. One-fourth of directors earning the starting wage earn $8.00 or less. Fewer than 10% of directors are earning over $30,000 per year. Further we should note that the low wages of directors are not a result of paying higher wages to other staff; rather, directors tend to earn more in centers where staff also earn more. In Wisconsin, as in other surveys, we found that a commitment to better wages affects all levels of a child care organization. Not surprisingly, particularly in light of the low salaries received by teaching staff, 86% of directors reported that if they were to receive additional program funds from government or corporate sources, they would dedicate them to increasing salaries.

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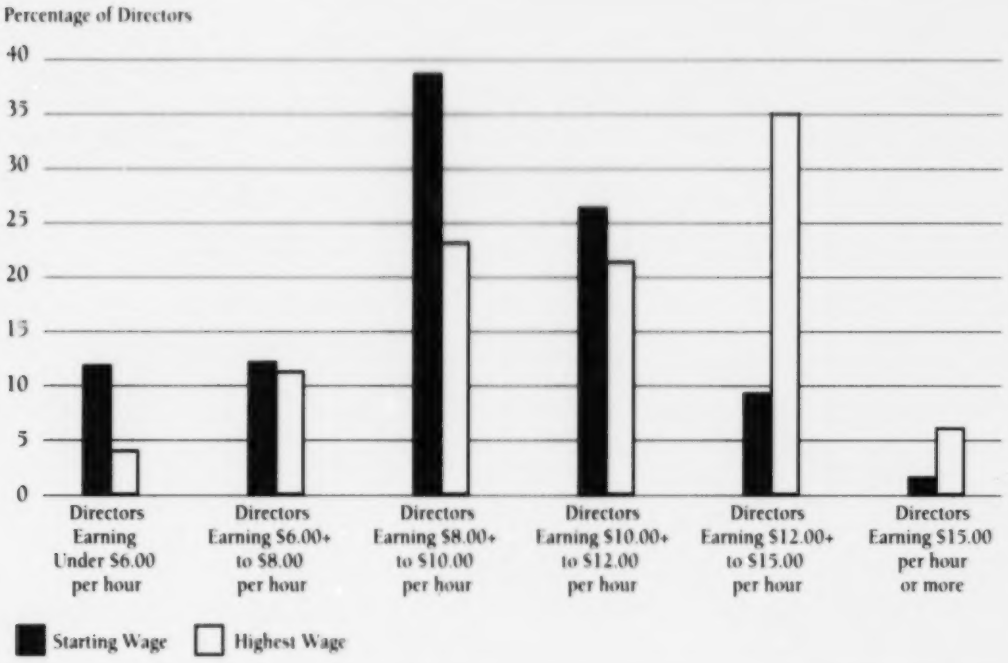
Table 21: Distribution of Director Starting and Highest Average Salaries



Benefits

Directors' low wages are not necessarily supplemented by generous benefits. Fewer than one-fourth of directors (22%) receive fully-paid health care coverage for themselves and their dependents. An additional 9% receive fully-paid coverage for themselves only. Twenty-two percent of directors indicated that they receive no health care coverage at all through their centers, and in for-profit centers, this figure rose to 50%, with only 14% receiving full coverage for themselves and their dependents. A greater number of part-time directors (43%) than full-time directors (19%) receive no health coverage through their workplace. Coverage tended to be particularly limited in the southeast region of the state.

Fewer than one-fourth of directors (22%) receive fully-paid health care coverage for themselves and their dependents.

Two-fifths of directors reported that they receive no dental coverage; of those who do, one-third receive partial coverage only. Two-thirds of directors receive some type of pension; while there is no specific information about this benefit, it is typically very limited in small businesses. Only slightly more than half of directors receive paid sick leave, with an average of 4.6 days per year paid by the employer. Directors in nonprofit programs receive more sick days on average (5.6 per year) than those in for-profit centers (3 per year). One-third of directors receive no paid holidays or vacations; those who do average 4.6 holidays and only slightly more than one week of vacation per year. Four-fifths of directors receive payment while attending work-related training or workshops. Two-thirds of directors have the option of reduced child care fees if their own children attend the center. Fewer than one-quarter are offered paid maternity leave.

Impact of the Wisconsin Quality Improvements Grants Program

The Wisconsin Quality Improvement Grants Program, initiated in 1991, provides funds to qualified center-based and family child care programs to assist them in achieving certain quality standards and improving the retention of skilled and experienced staff. One purpose of this survey was to gather information about directors' assessment of the program. Two-thirds of all directors in the sample (67%), and over 80% of directors in independent and government- or corporate-sponsored nonprofit centers, were familiar with it.

Directors who had received grants viewed the program as a positive influence on their centers, indicating that it had helped the centers to pursue and achieve accreditation, and to secure more training targeted toward degrees and credentials for staff. Directors were especially appreciative of the funds which enabled them to provide substitute coverage for staff members who were involved in training. The following is a sampling of typical comments:

- *We have received two grants and they have been extremely helpful--especially with schooling for teachers.*
- *Our center has been able to send staff back to school and begin working on Child Development Associate (CDA) credentials.*

- *Staff are getting to more conferences and taking more classes than ever before. We are in the CDA program for the first time.*

- *Through the grant we now have 8 CDA's and 14 people have attended early childhood courses for three credits for the past three semesters. Their goal is a CDA credential and a four-year degree.*

- *We used the grant for two staff to get CDA's and for two staff to attend a week- long High/Scope training. We will send two more staff to High/Scope training this year. Two of our staff with less than a Bachelor's can each take a three- credit college course. All of our staff are participating in a yearlong anti-bias training.*

Suggestions for improving their and others' access to the Quality Improvements Grants Program focused on streamlining the application process and reducing its complexity.

Conclusion

Low pay is not unique to child care center directors in Wisconsin; rather, it is characteristic throughout the country, with some variation resulting from differences in the cost of living and in licensing requirements for directors. A recently completed salary survey for Oregon directors reveals similar average starting wages ($10.08) and highest wages ($11.21). A North Carolina study to be released in 1995 reports a median wage for directors of only $8.84 per hour; however, only half of the North Carolina directors have completed high school and only 38% have completed a bachelor's degree.

The following chapter explores the characteristics of child care teaching staff.

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Child Care Center Teaching Staff

Developmental outcomes for children in centers are directly linked to the educational preparation and consistency of their teachers. The *National Child Care Staffing Study* (Whitebook et al., 1989) and other research reports have demonstrated that centers providing higher-quality services to children generally offer better wages, benefits and training opportunities to their teaching staff. Better-paying centers are also more successful at retaining teachers, who in turn are able to provide more supportive environments and to engage in more appropriate interactions with children.

Typical Wisconsin Child Care Center Teacher:

Responsible for a group or classroom of children. Plans age appropriate activities to encourage children's physical, emotional, cognitive, and social development. Typically supervises and trains other staff.

Years worked in field	6.75
Work Week	39 hours
Education	BA or higher
Salary – Starting	$6.55 per hour or $11,463 annually
Salary – Highest	$8.06 per hour or $14,105 annually
Health Coverage	None

The 1988 Wisconsin study found that child care teachers were receiving extremely low wages: the average head teacher in a full-day program was 34 years old, had a bachelors degree, and earned $4.92 per hour. Not surprisingly, the study found that the job satisfaction of center-based teachers was directly related to wages, and that the best-qualified teachers were the least satisfied with their jobs. Since the release of that report in 1989, there have been a variety of public education and policy efforts to address the child care staffing crisis. The responses we received from teachers and directors in 1994 indicate that some gains have been made, but that child care teaching staff continue to receive very low wages.

Our information about Wisconsin child care teaching staff is drawn from two sources. First, directors for 104 programs (representing 174 sites) completed surveys describing their staff, including age, sex, ethnicity, professional preparation, tenure, wages, benefits and working conditions. The directors responses provide data on a total of 1,072 teaching staff, of whom 592 are teachers, 372 are assistants, and 108 are teacher-directors. Secondly, we distributed surveys to teachers themselves, through their directors; 254 surveys were returned, representing 162 teachers, 66 assistants and 26 teacher-directors. In the 1988 study a similar two-survey methodology was used, though in a somewhat smaller sample.

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The two surveys covered different areas of information. All program data about center turnover rates, health care insurance plans and educational levels of staff, for example, are drawn from directors' reports. Demographic information about staff and their families, health coverage from sources outside of the child care workplace, and anecdotal comments were taken from the staff surveys. There are areas of overlap between the two, however, particularly regarding wages, education and benefits; in these areas, we will discuss the information provided both by directors and by staff, and will specify the source of the data.

The sampling procedure employed both in 1988 and in this study reflects the limited information available about the teaching staff of Wisconsin child care centers. As in many states, no comprehensive list of teachers and assistants is available to aid researchers in selecting a stratified random sample. We do not have precise information about the Wisconsin population of child care teaching staff that allows us to judge the representativeness of our final sample, as we were able to do with the survey of directors.

Generally, the samples in the two studies represent the same population of teaching staff across Wisconsin. Both samples include more responses from nonprofit than for-profit programs, with 78% of the teaching staff responses, and 73% of the director responses, coming from nonprofit centers.

There were two notable differences between the director and teaching staff samples. Staff responses were almost uniformly from full-day programs (96%), whereas almost one-third of the directors responses (30%) represent part-day programs. In addition, a greater proportion of teachers than directors returned surveys from the south and Milwaukee regions. Discrepancies between the samples, however, are not sufficient to compromise the complementarity of the majority of the data.

The only notable contradictions between directors and teachers reports concern the issues of wages and education. Directors reported higher wages and levels of training for staff than did teachers and assistants. The discrepancy may have to do with the disparity in our respective samples of teachers and directors. For example, only one-quarter of the center directors who responded to the survey (N=26) also had staff (N=162) who responded to the staff questionnaire. It is possible that the director sample is drawn from centers with significantly different pay scales and educational standards. Other studies, however, have found that directors and teaching staff in the same programs report substantially different salaries, so we can only speculate on the actual cause of the discrepancy.[1]

Staff Characteristics

The majority of child care teaching staff in Wisconsin are women in their childbearing years. Directors reported that 98% of teachers and 94% of aides are female, and 96% of teaching staff who returned surveys are female.

In 1988, the average teacher was in her mid-thirties, with only about 10% of the sample being over 50 years of age. In 1994, according to directors' reports, teachers fell within the same age

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[1] Whitebook, et. al., *The National Child Care Staffing Study*, 1989.

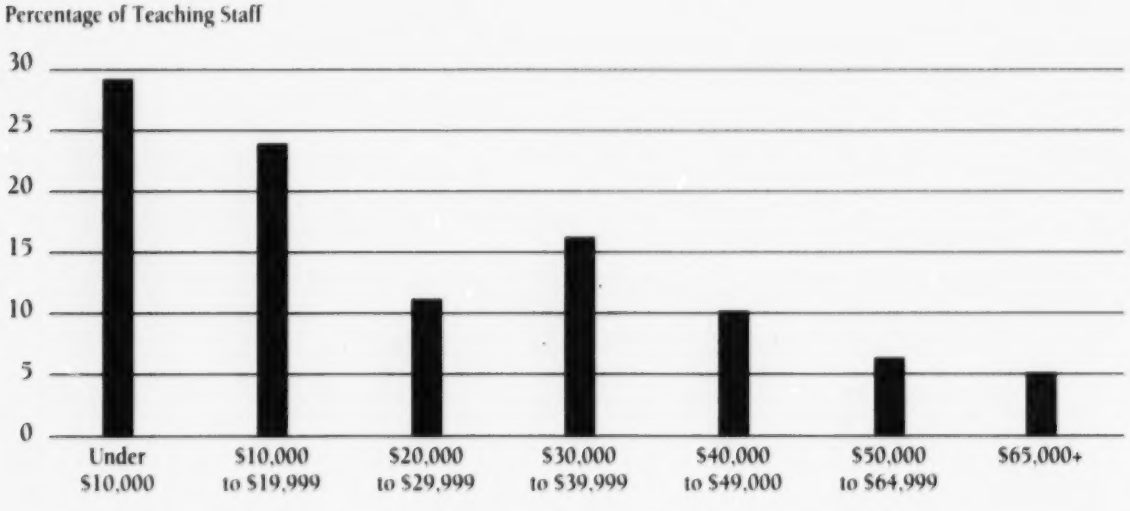
range as in 1988, but almost half of all teaching assistants were likely to be under 30 years old. Younger assistants (under 30) are most commonly employed by government- or corporate-sponsored nonprofits or by for-profit programs. Independent nonprofit programs and Head Start employ older assistants (between 30 and 50 years of age) than most other program types. Teaching staff who returned surveys reflected the same age patterns as those described by directors.

Although 73% of staff live in households with at least one other adult, the majority of teaching staff household incomes are below $20,000.

Reflecting the ethnic population of Wisconsin, center teaching staff are predominantly white. Only 2% of teachers and 5% of assistants are people of color, according to the directors' reports. More African-American teachers and assistants are employed in the Milwaukee area, reflecting the larger concentration of people of color in this urban area. Overall, 11% of those who returned teaching staff surveys are people of color.

Among teaching staff completing the survey, 59% are married or living with a partner, 10% are divorced, widowed or separated, and the remaining 31% have never been married. Almost half of the respondents (48%) have children, the average number being two. Nearly one-quarter of these children are infants or toddlers, and another fifth are preschoolers. Fifteen percent of the responding teaching staff have children in child care, paying an average of $74.00 per week per child. Teachers employed by for-profit programs reported spending less on child care per week ($36.00) than their colleagues in nonprofit programs ($83.00). Although 73% of staff live in households with at least one other adult, the majority of teaching staff household incomes are below $20,000.

Table 22: Teaching Staff Household Income



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Pervasive myths that child care workers' salaries tend to be extra "pin money," rather than major contributors to family income, are dispelled by these data as well as by many anecdotal comments from teaching staff themselves:

- *The cost of living has made it necessary for me to take another job to support my child at home. I am constantly aware of my need to leave the field to improve my quality of life. I am a great teacher but may need to leave teaching to survive.*
- *As much as I love caring for children, financially it is getting more and more difficult to keep this job.*
- *Eight years ago I had a job that paid $26,000 a year with great benefits. Now my family with two incomes gets aid from the state, even though my husband and I have continued our education.*

Education and Training

Wisconsin child care teaching staff are highly educated when compared to the general population, as well as to the child care work force throughout the United States. Relatively stricter licensing requirements, and a number of creative public policies and programs, have produced an overall climate in the state that is supportive of child care staff training. The table below outlines the educational achievements of staff as reported by directors. Unfortunately, the data reports for the 1988 survey do not include more detailed information about teaching staff education below the college level. The percentage of teachers who have completed a bachelor's degree appears to have increased in recent years.

Table 23: Educational Attainment: Teaching Staff in Wisconsin 1988-1994, as compared to Staff Nationwide

Staff Category	Bachelor's degree or higher	A.A. degree or some college	CDA credential	High School diploma
Teachers 1994	44%	45%	10%	2%
Teachers 1988	32%	n.a.	n.a.	n.a.
Assistants 1994	15%	67%	5%	14%
Assistants 1988	11%	n.a.	n.a.	n.a.
U.S. Teachers, National Child Care Staffing Study (NCCSS)	31%	44%	n.a.	26%
U.S. Assistants, NCSS	19%	37%	n.a.	44%

The 1980 data aggregates all teaching staff, including teacher-directors, and reports a 44% completion rate of a bachelors degree or higher for the sample, a figure identical to the 1994 finding. If we had followed the design of the 1980 study and combined teacher-directors with teachers, however, our result would have been a significantly higher figure; a full two-thirds of teacher-directors had a bachelors degree or higher in 1994.

State licensing regulations in Wisconsin reinforce relatively high levels of education among teaching staff. To meet requirements for a teacher position, an applicant must have completed high school and either earned two years of credit in a post-secondary institution, with three credits in early childhood education *or* completed 80 hours of approved training. Assistant teachers must have completed, or be enrolled in, 40 hours of approved training.

Wisconsin child care teaching staff are highly educated when compared to the general population, as well as to the child care work force throughout the United States.

In addition, we found that 65% of centers require more training for teachers, and 52% require more for assistants, than what is called for in licensing regulations. About one-third of centers require additional early childhood education units, and 34% of centers require a bachelor's degree for teachers. It is likely that these centers requiring bachelors degrees are disproportionately part-day programs. Approximately one-third of centers also require specific experience in early childhood education as a condition of employment. Government- or corporate-sponsored centers are less likely to require more training for assistants than are other types of centers.

Teaching staff assess their educational accomplishments with a mixture of pride and frustration. While they report that training makes them feel more professional and improves their relationships with children, they generally find that their hard-won accomplishments do not result in significant gains in compensation. One teacher commented, *"I earned three 40-hour certificates plus other classes and I'm still at the same wage, $5.00 per hour. I am really sick of it. My son who is 17 makes more than I do. It doesn't make you feel good about yourself."* Another teacher reported that her opportunities have improved in the child care field since she received her degree, but she adds that *"the 15 cents extra per hour I receive at my center because I am degreed belittles that accomplishment."* Teachers identify the lack of rewards for training as a problem for the field in general. As one observed, "Compensation for hard work achieved has been terrible. We are in one of the toughest professions there is, and [we are] unjustly compensated for the amount of training we have."

Teaching staff assess their educational accomplishments with a mixture of pride and frustration. While they report that training makes them feel more professional and improves their relationships with children, they generally find that their hard-won accomplishments do not result in significant gains in compensation.

Variation in Training by Program Type

The educational attainment of staff varies along a number of program dimensions. For-profit and independent nonprofit programs are more likely to employ teachers whose highest level of educational attainment is some college. Head Start programs are likely to have a higher percentage of teachers whose highest education level is a CDA credential or associate (A.A.) degree. There were no differences in educational background of teaching staff by region. Part-day teaching staff, however, do have somewhat higher levels of education than full-day staff. Centers with better-educated teachers and assistants are also likely to pay higher wages.

Teachers responding to the survey reported somewhat lower levels of educational achievement than directors did for their staff, in part a reflection of the virtual non-response of part-day staff, who tend to

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be highly educated. At the extremes, 28% percent of teachers reported having completed a bachelors degree or higher, and 23% had completed only high school. In the middle, the remaining 49% had completed some college, CDA training or vocational education related to child care.

Early Childhood Education

Directors report that teaching staff have the following levels of specific course work in early childhood education:

- 25%: fewer than 80 hours
- 36%: 80 hours or more
- 15%: 12 college units or a CDA credential
- 10%: a one-year diploma
- 6.5%: a two-year or associate degree
- 6.5%: bachelors degree, master's degree or other form of training.

Ongoing Training

Continuing education is an important source of training for the child care work force, and it is required by Wisconsin state licensing. All center staff as well as all licensed family child care providers are required to receive a minimum of 15 hours of continuing education per year. Just over one-third of teachers (36%) reported receiving 15 hours of continuing education per year, and over half (57%) reported receiving more than 15 hours. Nearly one-quarter (24%) received college credit for this training, with staff in for-profit programs more likely to receive such credit. Over three-quarters of the teaching staff who returned surveys would like to receive even more training than they currently do.

Teachers, however, reported the following reasons for not receiving more training:

- Difficult to take time off from work for daytime training sessions: 51%.
- Not enough courses or training events which address my needs: 28%.
- No pay-off in improved wages at work if I receive more training: 35%.
- Cost of training is too high: 31%.
- Unable to leave my family: 13%.

Teaching staff also offered the following comments about training opportunities:

- *I can't afford to take time off from work to go to school; I have to pay for it.*
- *Our community provides workshops for in-service and continuing education, but I wish some home study could be developed so we didn't always have to be away in the evenings to fulfill our hours.*

- *I spend too much time on work-related activities and curriculum planning to attend classes.*
- *I work two jobs; it's hard to find time.*
- *The courses often repeat information I've learned or experienced over the years—not mentally challenging or worth my time.*
- *I would like the opportunity to take some classes at the University, but there's not enough training money to actually do this—or not enough regular subs to cover that amount of hours. I must work 40 hours to support myself.*

Tenure and Turnover

Although there is some indication that teaching staff turnover has slowed in Wisconsin child care programs since 1988, the instability of staffing is still of grave concern. Twenty-five percent of teachers, 39% of assistant teachers and 51% of teacher-directors left their jobs between 1993 and 1994.[2] The overwhelming majority of these departures (91% for teachers and 84% for assistants) were voluntary, as opposed to layoffs caused by low enrollment, cutbacks or firings. In general, turnover was lower at centers which paid their experienced teachers more.

Although there is some indication that teaching staff turnover has slowed in Wisconsin child care programs since 1988, the instability of staffing is still of grave concern. Twenty-five percent of teachers, 39% of assistant teachers and 51% of teacher-directors left their jobs between 1993 and 1994.

We found variations in turnover by program and by region. Head Start reported significantly fewer departures among assistants than all other programs. In fact, if we exclude the Head Start sites from the turnover calculation, the statewide figure climbs to 45% for assistants.[3] Center directors in the southern region reported higher teacher-director turnover than those in other regions in the state. Overall, turnover rates in Wisconsin are comparable to those reported in other states during this time. Oregon, for example, experienced turnover rates of 28% for teachers and 39% for assistants during 1994.[4]

Another way to evaluate the stability of teaching staff is to examine tenure on the job. In 1988, 63% of assistants were in their first year, and over half of teachers (53%) were in their first or second year in their current jobs. In 1994, directors reported that fewer teachers (23%) and assistant teachers (48%) have been in their jobs for less than a year, indicating that turnover has slowed. Long-term stability, however, shows little improvement: 14% of assistants had been at their jobs for five years or more in 1994, compared to 15% of assistants in 1988 with six years or

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[2] These turnover rates are comparable to findings in a survey conducted by Community Coordinated Child Care (4-Cs) of Dane County during the same period (Winter 1994). The 4-Cs survey found a turnover rate of 31% for all staff in full-day centers and 24% for all staff in part-day centers. The 4-Cs survey may slightly underreport turnover because it asked only about the departures of *permanent* staff.

[3] Turnover rates for teachers remain almost constant when Head Start centers are excluded from the analyses.

[4] *The Oregon Survey of Child Care Center Salaries, Benefits and Working Conditions: 1994*. Washington, DC: National Center for the Early Childhood Work Force.

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more on the job. Thirty-four percent of teachers had been at their jobs in 1994 for five years or more, compared to 27% of teachers with six or more years on the job in 1988.[5]

Teaching staff tenure also varied by program type. Staff at Head Start programs had the longest tenure, and more stability was reported in independent nonprofits than in for-profit centers. Staff reports about their job tenure and experience in the field paralleled these findings. Teaching staff in nonprofit centers are significantly more likely to have worked in their current center, in their current position and in the field for longer periods than their counterparts in for-profit centers.

Table 24: Experience and Tenure as Reported by Teaching Staff

Program Type	Years at current job	Years at current center	Years in the field
Nonprofit	3.34	4.65	7.22
For-profit	2.10	2.75	5.07
All programs	3.07	4.23	6.75

The impact of turnover also extends beyond the departure of individual staff members, as efforts must be made to find a permanent replacement and to integrate her into the program. Often several substitutes will hold a position before a stable replacement is hired. According to directors' reports, about half of all positions are filled within two weeks, but one-quarter of assistant jobs and 13% of teacher positions take over a month to fill. Government- or corporate-sponsored centers report taking a month or more to fill half of their empty positions. The longer period that positions remain unfilled in these centers may reflect more formal or stringent hiring practices, as well as shortages of qualified staff.

The turnover of the best-trained and most senior staff is a regrettable result of limited career ladders and rewards in the child care field. Teachers comments suggest a frustration with the lack of a career ladder that will reward them for continuing to work with young children. A teacher who is optimistic about her own opportunities as a unionized employee wrote, *"I don't think most child care professionals really want 'career opportunities' (to advance to director, etc.). Teachers want to teach kids and get paid a living wage."* Other teachers agreed that they would like to stay in the child care teaching field, but the lack of upward mobility is discouraging:

- *I have risen as high as I can without trading working directly with children for administrative duties.*
- *Unless I want to give up dealing directly with the children, I'm at the "end" of moving up. I've also been at this center long enough that I've acquired seniority and salary....To start over someplace else at minimum wage would be difficult.*

[5] Teaching staff data from the 4-Cs survey of southern counties suggests that this sample may slightly over-represent teachers with longer tenure. The 4-Cs survey found that the average length of employment for full-day staff was only 2.6 years and 3.7 for part-day staff, substantially lower than the statewide findings reported here. The 4-Cs survey has the advantage of sampling nearly 100% of the child care programs in Dane County. Although we cannot draw conclusions from this data, it does suggest that experienced teachers were more likely to respond to the statewide survey.

- *Things have improved a little, but having been a head teacher in my organization for the past three years, it is hard to determine what a further career step would be.*

- *I don't feel I have had a chance to climb any ladder of opportunity in child care.*

The lack of mobility and rewards in child care centers leads ultimately to turnover. One teacher anticipates such a move for herself: "I am waiting to get a teaching position in the public schools. I have worked at two centers, and although I am making more at the second center I am still grossly underpaid for my education and experience."

Professional Affiliation and Identification

In the *National Child Care Staffing Study*, only 14% of teaching staff were members of a professional organization, but teachers in the 1994 Wisconsin survey appear to participate more in such organizations than their counterparts elsewhere in the country. This finding may be confounded, however, by the tendency of members in organizations to respond more readily to surveys. Twenty-two percent of respondents reported that they were members of the Wisconsin Early Childhood Association (WECA), 17% of the National Association for the Education of Young Children (NAEYC), 4% of the Worthy Wage Campaign and 11% of other groups including local associations and unions. Some teaching staff hold memberships in more than one organization.

Over one-fourth of teaching staff (28%) are involved in efforts to upgrade the field, with teaching staff in nonprofits being more likely to engage in such activities. Similarly to directors, teaching staff defined a broad range of endeavors as part of these efforts, including:

- participation in professional organizations

- pursuing more training and/or training others in the field

- participation in a union

- involvement in efforts to educate the public about child care work and to improve salaries

- working on accreditation for their program

- providing the best possible care.

One-third of teaching staff were familiar with the Quality Improvement Grants Program. Most commonly, teaching staff indicated that the opportunity to pursue training and schooling was the foremost benefit of the program. Other benefits mentioned include time to work on accreditation, purchase of better equipment, and raises. One teacher noted that a Q.I. grant, "...has made our center a happier and more enjoyable place to work."

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Opportunities in the Child Care Teaching Field

Almost half of teaching staff who responded to the survey (42%) believe that career opportunities in the field in general have stayed the same or gotten worse during the past five years. Another half (48%) believe that career opportunities have improved a little, and 10% feel they have improved a great deal. When queried about their own career opportunities, however, only 22% of teaching staff reported that their situation has improved during the past five years, while 59% felt that their situation was worse, and 19% felt either that things had stayed the same or had showed both improvement and deterioration during the period.

The following is a sample of comments offered by teaching staff about opportunities in the field. It is particularly striking that regardless of whether teachers view the situation as worse, better or unchanged during the past five years, virtually all of the comments reflect major dissatisfactions, primarily with wages and benefits. Those who have experienced substantial improvements recognize that they are among the privileged few. Even the most glowing comments were qualified with a recognition that while child care is a job with great intrinsic rewards, its monetary rewards are few.

- *I could earn more checking groceries. It's very frustrating. I graduated with the highest honors and after four years of hard work I earn $6.00 per hour, and work year-round.*

- *The cost of living has made it necessary for me to take another job to support my child at home. I am constantly aware of my need to leave the field to improve my quality of life. I am a great teacher but may need to leave teaching to survive.*

- *It's improved, but I still couldn't make it on my own at this pay rate. Its too bad that people who do less than us get paid more; if things keep going like this I will have to quit this job to get a better-paying job even though I really love what I'm doing.*

- *I work in an outstanding facility and with other teachers who have been in the field for ten years or more. We have good vacation, paid holidays and ongoing education benefits. We have no insurance or retirement benefits and our board seems to have lost sight of the Worthy Wage 2000 goals. Budgeting this year was conservative and staff raises were atrocious.*

- *Opportunities have improved but not the pay. I think if we would get paid more we would feel better about ourselves and our jobs.*

- *I was hired here almost three years ago—with benefits. I feel very fortunate, although wages for day care workers should definitely increase. I feel I'm a professional and would like to see more respect for caregivers.*

- *Our benefits have been greatly improved. We are getting more organized. However, I would like to see the board respect us as professionals and credit us for all we do for the center.*

- *I have had more opportunities to advance my education. This has not increased my personal position at my job, but it does make me a better teacher and communicator.*

- *My own salary has improved so much that I am encouraged to stay where I am. I do not believe that this is true in all day care situations. I resent being thought of as a glorified baby-sitter by many people. Moving up in my company is virtually impossible.*

- *By upgrading my educational background I have opened up options for career opportunities. Instead of just an assistant, I will become a lead teacher or director. Instead of working in a non-professional day care, I now work in one that considers me a professional and treats children in a loving, caring way.*

Not surprisingly, in answer to what changes in their centers would be most likely to keep them on the job, teachers ranked better salaries and benefits as the first and second factors, respectively. Teaching staff also cited (in descending order): more respect for staff, appreciation by parents, regularly scheduled preparation time (an item more likely to be identified by staff in for-profit centers), a career ladder, and continuing education. Most staff seem committed to continuing to work with children. If they left their current position, 23% stated they would seek employment in another child care center, 27% in an elementary school, and 11% in family child care. Twenty-four percent consider employment in another field, and 14% identified other possibilities, with further schooling being the most likely.

Table 25: What Teachers Say Would Be Most Likely to Keep them on the Job

	Rank
Better salary	# 1
Better benefits	# 2
More respect for staff	# 3
Appreciation by parents	# 4
Providing regularly scheduled preparation time	# 5

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Teacher Wages

The majority of child care staff earn substantially lower-than-average salaries for Wisconsin workers—wages which prove inadequate to support themselves and their families. The average annual salary in Wisconsin in 1994 was $23,610[*], whereas child care teachers' annual salaries averaged $11,375 during the same year. In the following tables we provide wage information reported both by directors and by teaching staff. The teachers reports are lower than the directors for a variety of possible reasons. The teaching staff sample is composed almost entirely of staff working in full-day programs, which were found to provide lower wages than part-day programs. It is also important to explain that staff reported their own current wages, while the analogous question asked of directors was of the highest wage they offered for a teacher position. Similarly, directors reported current starting wages in their centers, while staff reported the starting wage they received when first employed.

The majority of child care staff earn substantially lower-than-average salaries for Wisconsin workers—wages which prove inadequate to support themselves and their families.

Staff Wage Reports

Table 26: Teachers' Report of Wages at Start of Current Position

Program Type/Region	Assistant Teachers	Teachers	Teacher-Directors
All programs	$4.80	$5.16	$6.35
Nonprofit	$4.79	$5.18	$6.35
For-profit	$4.82	$5.12	$6.18
North	$4.74	$4.86	$8.00
South	$4.84	$5.74	$5.97
Southeast	$5.10	$6.15	$5.53
East	$4.73	$4.69	$5.55
West	$4.74	$4.90	$8.07
Milwaukee	$4.86	$5.08	$5.50

[*] Bureau of Labor Statistics

Table 27: Teachers' Report of Current Wages

Program Type	Assistant Teachers	Teachers	Teacher-Directors
All programs	$5.48	$6.50	$8.75
Nonprofit	$5.53	$6.70	$9.27
For-profit	$5.25	$5.88	$6.53
North	$5.10	$6.06	$14.00
South	$6.43	$7.64	$7.90
Southeast	$5.80	$7.05	$8.35
East	$5.05	$5.66	$7.36
West	$5.45	$6.45	$10.49
Milwaukee	$5.36	$6.64	$9.00

The educational attainment of teachers and directors is rewarded with minimally higher wages. Better-educated assistants, however, do not earn significantly more than their less-educated counterparts.[7] Teachers with bachelors degrees earn less than $1.00 more per hour than other teachers.

Table 28: Staff Wages, By Educational Attainment

	Teacher	Teacher-Director
Average wage	$6.50	$8.75
Average wage with A.A., plus specialized early childhood education training	$7.16	$11.38
Average wage with B.A. or higher	$7.31	$9.76
Average wage with B.A. or higher, plus specialized training in early childhood education	$7.39	$13.81

[7] This finding may be partially attributable to the small number of assistants with B.A. degrees in the sample.

Wages vary by region and by program auspices, as reported by the teaching staff sample. Significant differences include:

- Teachers and teacher-directors working in nonprofits earn more than those in for-profits.
- Teachers working in centers in the east* earn less than teachers in the south, southeast, west and Milwaukee regions.
- Teachers working in the north earn less than teachers in the southeast.
- Assistant teachers working in the south earn more than those in all other regions of the state.

Variation in wages by region and program type cannot be accounted for by differences in job demands. Staff reported working with the same number of children and adults, across region and program type. In fact, lower-paying for-profit centers were more likely to have less favorable adult-child ratios.

On average, starting wages for teachers and teacher-directors, as reported by teachers, are higher in part-day than full-day programs, and teachers earning the highest salaries earn more in part-day programs as well.

Director's Wage Reports

Analyses of the directors reports reveal few wage differences by auspices and none by region. Teacher-directors starting salaries, however, are lower at for-profit and independent nonprofit programs than in government- or corporate-sponsored and community- and church-sponsored nonprofit programs. The highest paid teacher-directors at Head Start earn more per hour than their counterparts in for-profit and independent, community and church-sponsored, nonprofit programs.

* These salary findings for teachers and assistants in the eastern region are verified by comparable results in a 1994 local study conducted by the Valley Association for the Education of Young Children in Outagamie, Calumet, and Waupaca Counties.

Table 29: Directors' Reports of Teaching Staff Wages, By Auspices and Length of Day

Category	Assistant Teacher Starting/Highest	Teacher Starting/Highest	Teacher-Director Starting/Highest
Full Day	$5.13/$5.81	$5.97/$7.49	$7.94/$9.27
Part Day	$5.54/$5.94	$7.85/$9.36	$9.96/$9.74**
For-profit	$4.98/$5.35	$5.83/$7.16	$7.62/$8.58
Independent Nonprofit	$5.36/$6.01	$6.71/$8.23	$7.17/$8.52
Government-Sponsored	$5.01/$5.33	$6.91/$8.27	$11.94/$11.21**
Community- and Church-Sponsored	$5.51/$6.09	$6.89/$8.25	$9.90/$9.83**
Head Start	$5.09/$6.61	$7.09/$10.50	$9.64/$9.80
Total Nonprofit	$5.35/$6.03	$6.62/$8.41	$9.02/$9.80
Total Wisconsin Centers	**$5.25/$5.85**	**$6.55/$8.06**	**$8.50/$9.43**
U.S. Centers*	**$5.57/$6.64**	**$7.13/$9.70**	**Not Available**

* The national data, from *The National Child Care Staffing Study Revisited* (1993), is adjusted to 1994 dollars.

** In some instances, the average highest wage is lower than the starting wage. This is due to the small number of responses in some categories.

The discrepancy in teachers' and directors reports of wage variation suggests that differences in wages by auspices and region are not great on the whole. The pattern that emerges overall is similar to that seen in states throughout the country: Head Start and other government-sponsored programs pay some portion of their staff substantially better than do most for-profit and independent nonprofit programs.

Distribution of Staff Earnings

Average wages provide one view of compensation, but the distribution of wages helps to provide a fuller picture. A high proportion of staff earn less than $10,000 per year when working 35 hours per week for fifty weeks.[9]

[9] This was found to be the average work week and year for full-time child care teachers and assistants in *The National Child Care Staffing Study*.

Table 30: Distribution of Staff Earnings, as Reported by Directors and Staff

Position	% earning $6.00	% earning $6.00-7.99	% earning $8.00-9.99	% earning $10.00-11.99	% earning $12.00-$14.99	% earning $15.00 or more
Assistants Starting; Director Report	83% (44% earn under $5.00)	14%	3%	0%	0%	0%
Assistants Highest; Director Report	61% (19% earn under $5.00)	33%	6%	9%	0%	0%
Assistants Current; Self Report	63% (30% earn under $5.00)	13%	5%	0%	0%	0%
Teachers Starting; Director Report	50% (18% earn under $5.00)	31%	11%	9%	0%	0%
Teachers Highest; Director Report	14%	44%	12%	18%	11.9%	.1%
Teachers Current; Self Report	44% (7% earn under $5.00)	39%	12%	4%	0%	0%
Teacher-Directors Starting; Director Report	15%	30%	28%	12%	15%	0%
Teacher-Directors Highest; Director Report	9%	25%	21%	22%	21%	2%
Teacher-Director Current; Self Report	4%	46%	23%	11%	12%	4%

1988-1994 Trends in Wages

The table below compares teachers' and assistants' reports of their current wages in full-day centers in 1994 with those in 1988. When adjusted for inflation, the wages received by teachers and assistants increased by 6% between 1988 and 1994.[10] The wage increase is an improvement, but because teachers and assistants earn so little, increases in salary must be substantial to approach median income in Wisconsin. After inflation, teachers and assistants received only a 1% raise each year for the past six years.

Table 31: Trends in Teaching Staff Wages

Staff Position	1994 Wage	1988 Wage	Real Change
Teacher	$6.50	$6.14	+6%
Assistant	$5.48	$5.16	+6%

Note: All wages and the 1988-94 trends are in 1994 dollars.

Teaching Staff Work Week

Teaching staff are not paid for all of the work they perform on a weekly basis. According to staff reports, the average teacher works a 35-hour paid week and the average assistant works a 33-hour paid week. Teachers and assistants reported working an additional five unpaid hours per week on average, while teacher-directors, who have an average work week of 41 hours, reported working seven additional unpaid hours per week. In 1988, 44% of staff reported working an average of only two unpaid hours per week.

Despite their demanding schedules, 18% of teaching staff in the sample reported working another job for an average of 16 hours per week, earning $7.62 per hour. Roughly the same percentage of staff reported holding a second job in 1988. Purchasing supplies out of their own money is an additional contribution made by teaching staff to their centers. The average amount provided to centers each month by teachers was $14.93. Purchasing supplies for the program and holding a second job are characteristics of child care teachers in similar proportions throughout the country.

Other Predictors of Wages

Various characteristics of child care programs are associated with salary levels. We explored the influence of collective bargaining, accreditation, and program type on salaries. Too few centers were represented by collective bargaining agreements to determine whether salaries differed significantly for unionized teachers. Staff covered by a collective bargaining agreement were most likely to work in a government-sponsored nonprofit center.

[10] Between 1988 and 1994, teachers gained $1.58 in current salary before inflation, and assistants gained $1.36 before inflation. Inflation rates, however, reduce the spending power of these gains to a 6% real increase for each position.

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Three-quarters of the center directors are familiar with NAEYC accreditation, while 14% of centers have achieved accreditation status, mostly among government- or corporate-sponsored nonprofit programs. However, another one-fourth of centers are involved in the accreditation self-study process. There was a trend toward higher salaries for all staff positions in accredited centers, but it was not statistically significant.

As would be expected from the variation in salaries paid to staff, centers have access to different resources and allocate different percentages of those resources to personnel costs. Characteristically, programs rely primarily on parent fees to cover costs, which in most cases severely limits the funds available for salaries. For-profit programs, for example, receive 93% of their budgets from parent fees, and make up the rest from a combination of corporate and public subsidies. Government- or corporate-sponsored programs often receive subsidies from state and federal sources and, as would be expected, are the most likely of all program types to rely on other revenues in addition to parent fees. Government- or corporate-sponsored programs reported that they receive 76% of their budgets from parent fees. Head Start programs, which are also subsidized, reported greater access to donations of goods and services than other programs.

For-profit programs spend a smaller portion of their budgets on salaries, fringe benefits and payroll compared to all nonprofit programs, and also rely less on volunteers than do nonprofit centers. Specifically, for-profit programs reported that they spend 55% of their total budget on teacher and assistant salaries, whereas government- or corporate-sponsored programs reported spending 81% in this area. Independent nonprofit programs reported relying heavily on volunteers to assist with the supervision of children.

Benefits and Working Conditions

For most Wisconsin child care workers, low wages are accompanied by poor benefits. It is particularly worrisome that over 50% of teaching staff lack health care coverage, given their heavy exposure to infectious illnesses and the common occurrence of back and other body strains. In 1994, as in 1988, only half of all programs surveyed offered health coverage to their employees, a slightly higher number than in other states overall. Information is not available from either study as to what is typically included in the coverage, or the cost of co-payments and deductibles.

For-profit programs spend a smaller portion of their budgets on salaries, fringe benefits and payroll compared to all nonprofit programs, and also rely less on volunteers than do nonprofit centers.

Table 32: Staff Benefits, as Reported by Directors

Benefit	Teachers	Assistants	Teachers-Directors
Health: no coverage or unpaid coverage	54%	59%	56%
partial payment, no dependent coverage	10%	7%	7%
partial payment, partial dependent coverage	22%	24%	17%
fully paid, no dependent coverage	8%	6%	9%
fully paid, with dependent coverage	7%	4%	12%
Dental: no coverage	63%	72%	56%
unpaid plan available	9%	7%	16%
partial payment, no dependent coverage	4%	0%	0%
partial payment, partial dependent coverage	13%	16%	12%
fully paid, no dependent coverage	7%	3%	0%
fully paid, with dependent coverage	4%	2%	8%
Life Insurance: no coverage	56%	63%	59%
unpaid plan available	7%	7%	9%
partial payment, no dependent coverage	3%	0%	40%
partial payment, partial dependent coverage	9%	10%	0%
fully paid, no dependent coverage	20%	18%	14%
fully paid, with dependent coverage	7%	2%	0%
Pension Plan: any coverage	20%	21%	25%

* Note: Percentages do not add up to 100% because of reporting error.

There were no significant differences by program type or region with respect to health benefit coverage. Part-day workers were significantly less likely to receive health coverage. Although the sample size was too small to detect significant differences, the trend was for Head Start programs to provide coverage for all employees, while almost two thirds of for-profit programs provided no benefits. This same trend was identified for dental benefits, but the small number of responses makes the finding unreliable.

The lack of health care coverage for child care staff is often the result of inadequate center funding. Sixty percent of directors reported that they lack the resources to provide comprehensive affordable health care to all staff, with for-profit programs least likely to have sufficient resources compared to government- or corporate-sponsored programs and Head Start programs. Independent nonprofit directors reported having more resources for health coverage than did for-profit programs, but they were less likely to have sufficient resources compared to other types of nonprofits. Directors suggested that state and federal grants and/or purchasing pools would be necessary to assist them with health coverage for their staff. Directors recognized that even when teaching staff receive coverage, they often experience barriers in using it, particularly with regard to co-payments and deductibles.

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The survey responses of teaching staff shed further light on how child care workers in Wisconsin cope with health care issues. Almost one-third have no coverage from any source, and only about 7% receive fully-paid coverage for themselves and their dependents. Just over one-third (36%) receive partial coverage. Approximately one-fifth have coverage available through their centers but are covered in other ways, presumably through spouses. In the teaching staff sample, staff from northern Wisconsin were least likely to receive paid coverage on the job. Over one-half (53%) have no dental coverage. Ten percent are offered coverage but use another method, 27% receive partial coverage and only 5% have full coverage.

The lack of health care coverage for child care staff is often the result of inadequate center funding. Sixty percent of directors reported that they lack the resources to provide comprehensive affordable health care to all staff, with for-profit programs least likely to have sufficient resources...

Sixty-one percent of the teaching staff who returned surveys have no life insurance and only 25% receive a pension. The absence of any pension plan for most teachers serves as a serious disincentive for longevity on the job. Teachers and teacher-directors employed in for-profit and independent nonprofit programs are less likely to benefit from a pension plan than are their counterparts in government- or corporate-sponsored nonprofit and Head Start programs. For-profit programs are less likely to provide teachers and assistants with a plan than community- and church-sponsored nonprofit programs.

Workplace Benefits

Additional benefits such as child care assistance, parental leave, paid time off, periodic raises and compensation for overtime work can also greatly enhance the economic situation of child care teaching staff. Many of these benefits are standard in American workplaces. In the following discussion, comparisons are made to national data and Wisconsin data when available. Benefits for teacher-directors are not reported, but generally match or slightly exceed those received by teachers.

Reduced-fee child care is the one benefit that Wisconsin and other child care teaching staff have access to in greater numbers than most other American workers. This benefit is typically offered more often by for-profit programs than by nonprofit programs, such as Head Start, that are supported by government subsidies. While this benefit helps teaching staff balance their work and family demands, it has a questionable effect on programs, often because centers include children of staff without regard for adequate procedures.[11] Child care center staff often need help in addressing various issues of authority and boundaries that arise when parents work with their own children in a program.[12] Forty-five percent of teaching staff who returned surveys reported having a reduced-fee child care option in their workplace.

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[11] *When Staff Bring Their Children to Work: Doing it Right*. Jade Travers, et. al. Washington, DC: National Center for the Early Childhood Work Force, 1994.

[12] *National Child Care Staffing Study*, 1989.

Table 33: Workplace Benefits Received by Teaching Staff, as Reported by Directors

Benefit	% Teachers who receive	% Assistants who receive
Reduced-Fee Child Care	60%	53%
Unpaid Parental Leave	64%	63%
Paid Parental Leave	13%	15%
Yearly Cost-of-Living Raise	53%	55%
Periodic Merit Increase	63%	60%
Compensation for Overtime Work	61%	26%
Paid Sick Days	62%, at an average of 6.46 days/yr.	48%, at an average of 6.43 days/yr.
Paid Holidays	61%, at an average of 6.33 days/yr.	57%, at an average of 6.36 days/yr.
Paid Vacation	59%, at an average of 6.95 days/yr.	56%, at an average of 7.88 days/yr.
Pension	20%	21%

Given the family-oriented nature of these enterprises and the demand for qualified staff, it is perhaps not surprising that centers appear to support the majority of staff who request parental leave. While most centers do not offer paid leave, the percentage that do is almost twice the figure found in other states (NCCSS, 1989). Government- or corporate-sponsored nonprofits are more likely to provide paid parental leave to their assistants than all other program types. Only 45% of teaching staff who returned the surveys reported that they receive unpaid parental leave options, but the percentage receiving an option for paid leave matched that reported by directors.

Over half of Wisconsin centers offer either merit or cost-of-living raises to their staff, a high percentage when compared to national figures of 34% of centers offering yearly cost-of-living raises and 42% which offer periodic merit increases.[13] Given the low salaries that Wisconsin teaching staff receive, however, it can be assumed that raises are small. Teachers working at government- or corporate-sponsored nonprofit centers and Head Start programs are less likely to receive merit increases than those working in for-profit centers. Although the sample size of Head Start centers is too small to establish statistical significance, we do note a trend toward Head Start offering more cost-of-living increases than other centers.

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[13] *National Child Care Staffing Study*, 1989.

The percentage of centers offering sick days to staff (62% in 1994, compared to 60% in 1988) has remained constant over the last several years. Almost half of all teachers, and more than half of all assistants, reported that they still do not receive this benefit despite frequent exposure in this field to infectious illnesses. Wisconsin centers that do offer sick leave grant staff fewer days than centers do nationally (6.4 days, compared with 9[1] nationwide). In Wisconsin, as in other states, for-profit centers are less likely to offer paid sick leave and offer fewer days than government- or corporate-sponsored nonprofits, community- or church-sponsored nonprofits, and Head Start programs.

Almost a third of centers (29%) do not compensate teachers for time spent planning their curriculum and activities, even though such efforts contribute substantially to their own and other staff's professional development.

Fifty-nine percent of Wisconsin programs offered paid vacation in 1994, compared to 72% in 1988. Wisconsin centers provide fewer vacation days per year than programs in other states, where 64% of centers provide an average of 10.26 days per year. Teaching staff in nonprofit centers receive more paid vacation days per year (8.89) than their colleagues in for-profit centers (6.36 days).

Working Conditions

Several studies have identified the importance of a supportive work environment to the overall quality of child care programs.[2] Centers in Wisconsin are mixed to the extent to which they provide support to their staff. While we must acknowledge the unique scheduling problems in child care centers, it is troubling that no improvement has been made since 1988 in the percentage of centers that offer paid breaks during the day or create a space where staff can retreat without child responsibilities during this time. Even fewer centers provided staff rooms in 1994 (28%) than in 1988 (36%).

Most centers continued to provide written job descriptions for their staff in 1994, but fewer than half provide a written salary schedule or contract for their employees. There has been a slight increase from 60% in 1988 to 68% in 1994 of the centers that provide a formal grievance procedure for staff. Anecdotal evidence from the child care community in Wisconsin and other states suggests that written procedures specifying expectations and agreed-upon terms of employment minimize miscommunication and contribute to a sense of respect and professionalism.

Almost a third of centers (29%) do not compensate teachers for time spent planning their curriculum and activities, even though such efforts contribute substantially to their own and other staffs professional development. While the percentage of centers providing paid planning time has increased slightly from 66% in 1988 to 71% in 1994, those offering payment for attendance at staff meetings has dropped during this period from 70% to 64%. The number of centers offering paid in-service training has also dropped from 94% reported in 1988 to 68% in

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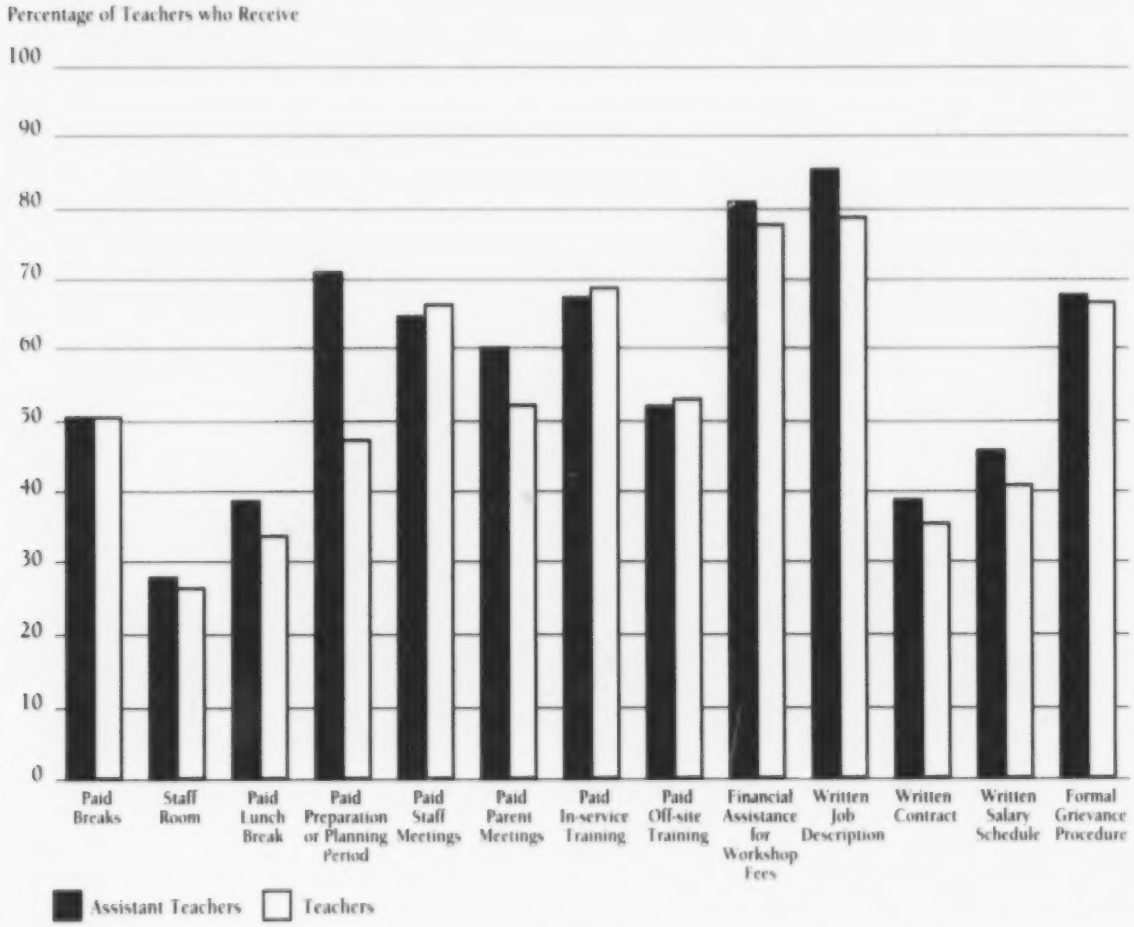
[1] *National Child Care Staffing Study*, 1989

[2] *National Child Care Staffing Study*, 1989. Paula Jorde-Bloom, Closing the Gap: An Analysis of Administrator and Teacher Perceptions of Organizational Climate in the Early Childhood Setting. In *Teacher and Teacher Education*

1994. Because the 1988 survey did not inquire about off-site training or financial coverage for workshop fees, however, it is difficult to determine whether the absolute amount of center support for training has decreased during this period.

Table 34: Working Conditions, Reported By Directors



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Conclusion

The profile of Wisconsin child care teaching staff that we first saw in 1980 and 1988 remains essentially unchanged in 1994. Although wages have increased modestly, the majority of teachers still earn very low wages. Health benefits, whether fully or partially paid, are available in fewer than half of the child care programs in the state. Resources for training, particularly for those teachers newly entering the field, appear to be improving, and the educational level of an already highly-educated work force is also improving. Yet child care teachers continue to face the extremely frustrating contradiction of attaining more education and more specialized training, and yet continuing to receive wages that are comparable to—or even lower than—those earned by untrained workers elsewhere.

This picture of a low-wage, low-income child care work force that was evident in the earlier reports spurred state policy makers and organizations on to improve working conditions and compensation. The number of programs that are currently undergoing an accreditation process, and the teachers who are upgrading their professional training, offer hope that such efforts will result in higher-quality services for children and families. Because the roots of low wages in child care are multi-faceted, however, improving child care wages cannot be linked to any one program or solved simply.

The profile of Wisconsin child care teaching staff that we first saw in 1980 and 1988 remains essentially unchanged in 1994. Although wages have increased modestly, the majority of teachers still earn very low wages.

The following section explores the child care work force, including family child care providers, directors and center-based teaching staff, both as a whole and in comparison with other segments of the Wisconsin work force.

The Wisconsin Child Care Work Force

All members of the child care work force, whether they are family child care providers, center- based teaching staff or center directors, share some common characteristics. Virtually all earn low wages, have low to moderate household incomes, and have attained a higher-than-average level of formal education and training. Unlike educated workers in other industries, however, most child care workers are not well rewarded either for their years on the job or for their level of training. This chapter compares different categories of the child care work force, and looks at how child care workers fare in contrast with other Wisconsin workers.

Nearly all members of the child care work force earn less than the average Wisconsin worker, despite higher-than-average levels of education. The average annual income in 1993 for a Wisconsin worker, according to the Bureau of Labor Statistics, was $23,610.[1] Income in the child care field was significantly lower: center-based teaching staff earned between $9,590 and $15,313, depending on their position; family child care providers (licensed and certified) earned $7,369; and directors, the highest-paid sector of the child care work force, earned between $20,010 and $24,898. Only one-fourth of all Wisconsin workers have at least four years of college,[2] whereas 72% of child care directors, and 44% of teachers, have a bachelors degree or more. Family child care providers education is comparable to the general population, and yet they earn just above one-fourth of the average income in Wisconsin.

Although teaching children of any age is typically viewed as a challenging occupation that may lead to burn-out, the average 15-year tenure of public school teachers — compared with child care teachers' average of 5 years —suggests that compensation is a powerful incentive for retention.

Teachers and providers low earnings also result in lower-than-average household incomes. Median household income in Wisconsin in 1993, as reported by the U.S. Census Bureau, was $31,766,[3] but over one-half of center teaching staff reported household incomes below $20,000. About half of all family child care providers reported household incomes below the state median, which makes them typical of Wisconsin residents. Certified providers are more likely to have household incomes below median income than are licensed providers, even though certified providers are as likely to have another adult in the household contributing income.

Family child care workers do differ from teaching staff in some notable respects. Providers are older on average, and are more likely to be married. Center-based teaching staff are less likely to have access to health coverage outside of their centers, unlike providers who tend to receive coverage through a spouse. Licensed providers report somewhat higher household incomes, on

[1] U.S. Department of Labor, 1994.

[2] U.S. Bureau of the Census, 1990.

[3] U.S. Bureau of the Census, 1995.

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average, than do teaching staff and certified providers. While these differences do not detract from the overriding similarity between providers and teachers, they may be important when planning health care policies and programs aimed at the child care work force.

While child care workers also share certain characteristics with other professionals and paraprofessionals such as nurses, they earn much lower wages. As with nurses, child care workers professional preparation in Wisconsin varies substantially, ranging from some college units to a masters degree required for certain positions. Both groups provide services in an industry that receives funding from public as well as private sources. Nurses wages in Wisconsin range from an average of $13.25 to $18.36 per hour, depending on their level of supervisory responsibility.[*] The differences between child care teachers and nurses wages result from different market conditions, funding mechanisms, and sizes of work sites. But the widespread organization of nurses into professional organizations and unions with collective bargaining rights is also an important key to understanding the different levels of status of the two occupations.

Table 35: Comparison of Child Care Salaries with Other Occupations

	Child Care Center Teacher	Licensed family Child Care Provider	Public School Teacher*	R.N. Hospital Staff**
Education	B.A. and above	Some college and above	B.A. and above	B.S. and above
Annual Salary	$12,933	$8,344	$35,990	$32,136

* 1993-94 Salary from Wisconsin Education Association Council

** 1992 Wage Survey from Department of Industry, Labor and Human Relations. Based on hourly mean wage of $15.45; does not include Head Nurses or Instructors.

Wisconsin public school teachers also provide an interesting comparison with child care providers. In Wisconsin, the average public school teacher earned $35,990 in 1993-4 and had 15 years of experience, whereas child care teachers with comparable training (a B.A. degree, plus specialized training in early childhood education) earned annual salaries of $12,933 *for a twelve-month work year*. Although teaching children of any age is typically viewed as a challenging occupation that may lead to burn-out, the average 15-year tenure of public school teachers—compared with child care teachers average of 5 years—suggests that compensation is a powerful incentive for retention. Public school teachers in Wisconsin, as in all states, have a salary schedule established by their school district that rewards higher educational attainment with a range of salaries.

Unlike nursing and school district education, child care teaching jobs do not reward the better-educated and more experienced teachers for their investment in their career. In spite of greater public awareness, public initiatives and advocacy, wages have not improved substantially be-

[*] 1992 Wage Survey: Jobs, Wisconsin Department of Industry, Labor and Human Relations. June 1993.

tween 1988 and 1994, in part because the median income in Wisconsin has fallen during these years. Since child care centers are labor-intensive operations primarily financed by parents fees, administrators and nonprofit boards in the majority of centers must raise fees if they are to improve child care salaries substantially. Working families who may already find that child care fees take anywhere from 10% to 30% of their income are not able to single-handedly finance substantial improvements in wages.

Conclusion

While the evaluation of various child care reforms is beyond the scope of the present report, our findings do indicate a need for public discussion and detailed examination of such programs and policies. In the coming years, the quality of child care to serve the needs of Wisconsin children and families will largely depend on public and private initiatives to stabilize the child care work force.

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Implications for Change

Assessing the Findings of *The Report on the Wisconsin Child Care Work Force*

Although education and training levels of Wisconsin providers, teaching staff, and directors are higher than national averages, child care work remains extremely low-paid in the State of Wisconsin. The scarcity of health benefits especially for center teaching staff compounds this low compensation. A quarter or more of staff in the average program leaves each year. Research on child care center and family child care quality draws our attention to the links between wages, turnover, and quality of care for children: better compensated staff remain in centers longer and pursue further specialized training. Children benefit from a teacher's or providers' commitment to her program and her professional development.

A series of reports recommend that corporate, state, and federal child care reforms and initiatives must fill the gap between what parents can afford to pay and what child care workers need to earn if children are to receive quality child care.

Child care policy makers in Wisconsin face the dilemma that all state child care policy makers do: how to support providers' and center teaching staffs' need for professional development opportunities and adequate remuneration with limited resources. While providers report earning too little for their services, consumers often pay more than they can easily afford. Many of the working families who rely on family child care and center-based care face declining household incomes, themselves, and thus are unlikely candidates to support increases in child care workers' wages. The quarter of upper-income families who earned $50,000 and more in household income in Wisconsin probably could, through tax rates or fee increases, contribute more to child care workers' salaries, and thus quality for Wisconsin children. Yet, even if upper-income families did pay more for their own children's services the need for systemic solutions to improve the quality of services for all families in the State would remain. It is untenable for child care workers to continue to subsidize child care services through their low wages.

Solutions will come from a myriad of sources beyond consumers and providers. A series of reports recommend that corporate, state, and federal child care reforms and initiatives must fill the gap between what parents can afford to pay and what child care workers need to earn if children are to receive quality child care.[1] A variety of proposals to upgrade child care services

[1] A series of policy reports have recommended the need for high quality child care services. They all recognize compensation as a key component of quality. A sampling of these reports follows:

Starting Points. Meeting the Needs of Our Youngest Children, New York: Carnegie Corporation of New York, 1994.

Ready to Learn: A Mandate for the Nation, E.L. Boyer. New York: Carnegie Foundation for the Advancement of Learning, 1991.

NOTE CONTINUES ON THE NEXT PAGE

are currently being discussed and evaluated. The proposals under discussion range from fairly limited changes in tax codes to fundamentally restructuring and refinancing the delivery of services in the US. They include:

- Federal Block Grants: Subsume federal child care programs and funding into funding blocks that go directly to the states with set asides for quality improvement, e.g. training and compensation.

- Tax Credits. Increase the dependent care tax credit for families with children in child care. Make the tax credit refundable. Programs aimed at parent education might encourage parents to invest increased funds into quality measures.

- Replicate Higher Education Model for Child Care: Establish a financial aid system that combines private and public moneys for parents with children in child care. This would provide the possibility for fees calibrated to income and allow a more equitable payment to providers.

- Expand Ages Served in Public Schools: Extend public school-based early care and education programs to 3 and 4 year olds. Qualifications and compensation for child care teaching staff would be on par with primary and secondary school teachers.

- Broaden Head Start Services: Increase access to comprehensive child development services such as Head Start for working low-income families. Expand Head Start services to full day, full year care. Continue the commitment to Salary Enhancement Moneys for staff already mandated in the 1994 Reauthorization.

- Parental Leave: Establish and improve existing parental leave programs to allow parents to care for infants. By reducing need for infant care (the most expensive form of care to provide for families) parent, employer, and other resources could be invested in child care programs for older children.

- Child Allowance: Establish a program that would finance parental leave and/or a combination of early care and education services depending on family choice. Receiving a set fee per child would free programs from basing their budgets and compensation on the income of families they serve. Child allowance is in place in some other countries.

These large-scale reforms will require considerable public debate and planning if they are to be implemented. The need for more immediate, if more limited, solutions to stabilize the child care work force is pressing at the state level.

NOTE CONTINUED FROM THE PREVIOUS PAGE

Head Start: The Emotional Foundations of School Readiness. Washington, DC: National Center for Clinical Infant Programs, 1992.

Beyond Rhetoric: A New American Agenda for Children and Families. Washington, DC: National Commission on Children, 1991.

Taking Care: State Developments in Child Care. Washington, DC: National Governors Association, 1990.

Wisconsin already has initiated a number of promising programs and policies to address the need for child care staff and providers' professional development:

State Child Care Licensing Requirements have established a higher standard for educational attainment and ongoing training in Wisconsin than have many states. The finding that teachers, assistants and providers have achieved higher levels of training in Wisconsin than average is a testimony to the importance of good state standards. Strong licensing standards establish a "floor" for training that many programs surpass by requiring education and training above licensing requirements.

The Registry, a newly implemented system of professional recognition for child care staff and providers, is a collaborative effort between the Wisconsin Early Childhood Association, Wisconsin Family Child Care Association, and the Wisconsin Child Care Administrators Association. The Registry has established the foundation of a voluntary credential system: professional titles which recognize caregivers' educational accomplishments and years of experience. Teaching staff and providers who register with the state service and receive their title have a new tool with which to demonstrate their professional preparation and experience.

The Wisconsin Quality Improvement Grants Program recognizes that many centers lack resources to promote training and accreditation, and low-paid staff and providers also require financial assistance to pursue training. Family child care providers can qualify for a grant to improve their training, become accredited, and enhance their benefits so that they can stay in the field. Participating centers must conduct an annual evaluation of salaries and turnover, and demonstrate a plan to improve salaries and staff retention. Providers must also demonstrate a commitment to remain in the child care field to qualify. The Wisconsin Quality Improvement Grants Program is funded by federal Child Care and Development Block Grant funds received by the State of Wisconsin.

The findings reported here suggest that these programs can play a crucial role in supporting staff retention and higher training standards. We touch on the implications of the findings for these and other promising programs below.

Reward Education and Training with Increased Compensation

Senior members of the child care work force with BA's and above, surveyed here, voiced frustration about hitting the salary ceiling in their centers. They report that they will have to leave teaching for child care administration or perhaps leave the child care field altogether if they are to improve their salaries. Retaining the best trained child care teaching staff is an important if challenging program objective. One specific avenue to improve financing for high quality programs lies in proposed changes in Child Care and Development Block Grant regulations that would permit differential rates. In Wisconsin accredited programs already may receive a higher reimbursement rate in recognition of their quality for serving low income. Proposed changes in federal guidelines about reimbursement rates may provide additional support for this policy and encourage other states to follow Wisconsin's example.

Child Care Supplies Fund

Child care teachers report spending their own money on supplies for children. A relatively small center allowance, raised from donations and grants, would be helpful. The funds could go to materials for quality enhancement and to defray teachers' expenses. Family child care providers, who operate on such a modest budget could benefit tremendously from an infusion of funds to purchase supplies.

Substitutes

Licensed family child care providers indicate that the preponderance of day-time classes and ongoing training makes it difficult for them to further their education. Finding and financing substitutes for family child care businesses is one barrier that prevents licensed providers from gaining more training.

Professional Development

Child care teachers, assistants, and providers repeatedly expressed their desire to receive recognition and respect for their accomplishments. Directors, teaching staff and providers report that they would like to participate in efforts to communicate their professionalism to parents and other community members unaware of quality issues in child care.

State child care licensing requirements have established a better standard for educational attainment and ongoing training than have many states. The finding that teachers, assistants and providers have achieved higher levels of training in Wisconsin than average is a testimony to the importance of good state standards.

Director Support

Child care programs would benefit from business training for directors on how to access grants, implement differential rates, and assess program administration (staffing patterns) to generate support for personnel. Salary schedules, for example, are not the rule in Wisconsin child care centers. Center directors may require assistance to adopt salary schedules which link educational attainment and experience with improved compensation.

The Earned Income Tax Credit

The Earned Income Tax Credit (EITC), a federal tax initiative designed to keep families with children out of poverty, could be helpful to teaching staff and providers with low household incomes. The data suggests that many teaching staff and providers may be eligible for the tax credit, yet many reported that they hadn't heard of the EITC. Unfortunately, the awareness of EITC appears lowest among those child care workers most likely to be eligible. Certified providers who report significantly lower household incomes than the more regulated licensed providers are less likely to have heard of the EITC. A public information campaign about EITC eligibility geared toward low-income teachers and providers is one strategy to improve compensation for the lowest income child care workers.

Social Security Reporting

Thirty percent of family child care providers reported that they did not pay social security withholding tax. This finding may be partially a result of reporting error, however the finding suggests that providers may need to know more about this legal requirement. Most providers have no pension or retirement accounts, thus it is important for them, as well as legally required, to make social security payments.

Health Care Insurance

The low level of health coverage among child care teachers and assistants requires more exploration. Wisconsin may want to assess ways to improve health coverage. Specifically: how are teachers currently receiving health care and what are the resources at the state level for centers to pool employees to make insurance plans more affordable?

The quality of care in Wisconsin hinges on public and private initiatives to stabilize the child care work force.

To evaluate the child care reforms discussed above is beyond the scope of the report. The findings reported here do indicate that the programs and policies listed above are worthy of public discussion and detailed examination. The quality of care in Wisconsin hinges on public and private initiatives to stabilize the child care work force.

The National Center for the Early Childhood Work Force (NCECW), formerly the Child Care Employee Project, is a policy, research and advocacy organization dedicated to enhancing the compensation, working conditions, and training of child care staff and providers. In 1989, NCECW published the benchmark study on child care compensation and its role in child care quality, the *National Child Care Staffing Study* (updated 1993). Since then NCECW has published numerous studies relating to child care staffing and quality. NCECW coordinates the national Worthy Wage Campaign, a grassroots mobilization of caregivers, parents and others working to confront and reverse the child care staffing crisis. Additionally, NCECW coordinates the Early Childhood Mentoring Alliance, a network of early childhood professionals working to enhance career development, compensation and leadership among child care teachers and providers.

The Wisconsin Early Childhood Association (WECA) is a statewide professional association of diverse members who provide services to young children and their families. WECA is committed to establishing and maintaining exemplary standards for early childhood programs, and to being instrumental in achieving professional practices and professional compensation. WECA develops training events and conferences for providers, teaching staff, and resource and referral agencies in the state of Wisconsin, as well as assisting centers in achieving National Association for the Education of Young Children (NAEYC) Accreditation. Additionally, WECA co-sponsors the Child and Adult Care Food Program in Wisconsin. WECA is Wisconsin's affiliate of the NAEYC.

Please call or write for a list of our other publications and for more information on NCECW:

National Center for the Early Childhood Work Force
733 15th Street, N.W. Suite 1037
Washington, DC 20005

PH: 202-737-7700
FAX: 202-737-0370

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